

Northampton for offices and sites

L Austin-Crowe
0604 34734

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.6; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Pts 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

No. 27,810

PUBLISHED IN LONDON AND FRANKFURT

Friday March 9 1979

***15p



HANSOTONE
LET ANSAFONE ANSWER YOUR PHONE
From only £1.50 per week
19 Upper Brook Street, London, W1Y 2HS
RING ANYTIME 01-629 9232

NEWS SUMMARY

GENERAL

Egypt
agrees
talks
basis

BUSINESS

Equities
top 500;
Gold
down \$2

• EQUITIES passed the 500 mark on the FT 30-share index to close 34 up at 500.3. The All-Share index rose 1.6 to a new high of 249.11.

• GILTS advanced, the Government Securities index closing 150 up at 73.10.

• STERLING was 80 points up at \$2.0425, its trade-weighted index rising to 65 (64.7). The dollar's trade-weighted depreciation widened to 8.6 per cent (8.4 per cent).

• GOLD fell \$2 in quiet trading in London to close at 239.

• WALL STREET near the close was 6.15 up at 540.44.

• U.S. wholesale prices rose by 1 per cent last month, with food and fuel prices largely respons-

ible. There was a 1.3 rise in January. Wholesale prices are now 10 per cent up on a year ago. Back Page

• UNNAMED shareholders of Mercantile Investment Trust, which has net assets of £15m, are seeking to obtain the 100 underlying market value of their investments. A special resolution will be put at the AGM.

• CANNON ASSURANCE, the medium-size unit-linked life company, is to be bought for £8.5m by Cascade Group, the Canadian finance and property company. One of Cannon's major shareholders, Mr. Edward du Cann, the Tory MP, stands to make a profit of about £1m on the deal. Back and Page 27.

• UK EXPORT growth is expected to be maintained during the first half of this year at between 3 and 4 per cent, according to new Department of Trade figures. Page 8.

• COMMONS COMMITTEE on the Companies Bill remained split on the wording of a clause which would allow workers to take directors to court for failing to regard employee interests. Page 7.

• READY-MIXED concrete industry is likely to be investigated soon by the Monopolies and Mergers Commission. Page 7.

• COMPANIES: on the wording of a clause which would allow workers to take directors to court for failing to regard employee interests. Page 7.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• LEX SERVICE GROUP, the UK distributor of cars and trucks, reports record pre-tax profits of £17.92m for 1978 against £12.49m and sales of £388.54m (£298.5m). Page 24.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last year to more than £18m. Page 29.

• PLESSEY pre-tax profits rose 3.1 per cent to £32.9m in the nine months to December 31 following third quarter profits of £9.8m (£9.7m). Sales for the nine months advanced from £441.6m to £464.8m. Page 24 and Lex.

• CEMENT-ROADSTONE Holdings, Ireland's largest industrial company, plans to raise £29.2m through a rights issue. Despite an 11-week strike, pre-tax profits increased 23 per cent last

EUROPEAN NEWS

Brussels threatens court case over steel aids row

BY GILES MERRITT IN BRUSSELS

IF BRITAIN and Italy refuse to drop their objections to a new code governing national aids to steel producers, the European Commission will not hesitate to resort to the Treaty of Rome to impose even tougher limits.

The likelihood that the Commission's competition directorate will use articles 92 and 93 of the Treaty to take defaulting governments before the European Court of Justice is being emphasised in Brussels, following the rejection by the UK and Italy of a steel aids code at the March 5 Council of Ministers meeting here.

But the Commission plan to fall back on the two articles covering state aids could well involve it in a legal tussle with some member governments. Britain's decision to block the aids code is based on legal doubts surrounding the fact that the code would be both interpreted and enforced by the Commission.

The British Government has argued that giving the European Commission the power to decide whether general aids constitute unfair support could affect the existing balance between Community institutions.

At the same time the terms of Article 92 on what state aids are, or may be, compatible with the Common Market are loose enough to provoke lengthy argument before the court. The article upholds, for example, aids that "remedy a serious dis-

turbance in the economy of a member state."

The proposed steel aids code stems from moves first made in May, 1978, to control national subsidies and grants to steel producers in the EEC. Last November, West German insistence in the need to reduce aids that distort fair trading moved the Bonn Government to threaten the future of the Community's steel industry crisis plan.

The result was the disputed code limiting specific aids and endowing the Commission with

the authority to police such non-specific aids as regional grants.

The Commission's case is that the proposed code provides more flexibility for state support to hard-hit steel industries than the strict letter of the Rome Treaty would otherwise permit. The outcome of this week's Ministerial deadlock in Brussels was that the Commission should attempt to negotiate compromise with the British and Italian Governments before the Council of Ministers returns to the matter on April 3.

Energy loans to go ahead

BY OUR BRUSSELS STAFF

A SPECIAL European Community financing instrument which could be worth almost \$550m is due to be approved by EEC Finance Ministers when they meet in Brussels on March 19.

Dubbed the Ortoli Facility, after M. François-Xavier Ortoli, the EEC Economics and Financial Affairs Commissioner, it is for funding energy and infrastructure programmes in the EEC. The first tranche of the facility is for ECU500m (£340m), of which ECU300m is expected to be devoted to energy projects.

The first tranche, providing the Council of Ministers approves it, will be raised by the

European Investment Bank (EIB) and disbursed by the European Commission. The exact form of the EIB loans will, it is understood, depend on market conditions.

In its present form, the Ortoli Facility has a ceiling of ECU800m (£544m) or a life of two years, whichever is reached the soonest. M. Ortoli had envisaged an initial package totalling ECU1bn, this was reduced because the European Parliament was worried that its budgetary authority could be eroded. Another facility is expected to be negotiated between the Commission, the Council of Ministers and the Parliament once the present instrument is exhausted.

The lack of adequate channels for collective bargaining has become increasingly apparent since unions and employers failed to reach agreement on a social contract to replace the provisions of the "Moncloa pact." The Government instead introduced a decree last December imposing a wage ceiling between 1% and 14 per cent.

The most notorious example of this vacuum was at the Michelin tyre plants in Vitoria, where management agreed to negotiations only after the Radical-Militant wing of the Basque secessionist organisation ETA had kidnapped Sr. Luis Alaita, the managing director, who was freed last week.

days, pickets have been arrested, and some Catalan textile employers have locked their workers out.

The lack of adequate channels for collective bargaining has become increasingly apparent since unions and employers failed to reach agreement on a social contract to replace the provisions of the "Moncloa pact." The Government instead introduced a decree last December imposing a wage ceiling between 1% and 14 per cent.

The most notorious example of this vacuum was at the Michelin tyre plants in Vitoria, where management agreed to negotiations only after the Radical-Militant wing of the Basque secessionist organisation ETA had kidnapped Sr. Luis Alaita, the managing director, who was freed last week.

Call-up ends Barcelona strike

BY DAVID GARDNER IN BARCELONA

WORKERS IN Barcelona's Metro called off their strike yesterday, after the Government published a decree drafting all underground railway employees into the army and thus subjecting them to military discipline. The decree followed representations in Madrid by the Civil Governor of Catalonia, the Government's chief executive in the province.

The last time Metro workers were placed under military discipline was in Madrid in January 1976 during the strike which led to the downfall of the Government headed by Sr. Carlos Arias, the Franco regime's last Prime Minister and the monarch's first. Coming so soon after the first general election under the new constitution—which in theory guarantees the right to strike—

the measure has caused profound discontent in the Catalan and Spanish labour movement.

The Socialist General Workers' Union, meanwhile, is considering taking the matter to the International Labour Organisation (ILO), while other unions are discussing denunciating the measure in international courts.

The decree was made during a period of considerable industrial unrest. Bakery workers are on strike in Barcelona and chain-store and textile industry workers are on strike since November 11 and 14 per cent.

The most notorious example of this vacuum was at the Michelin tyre plants in Vitoria, where management agreed to negotiations only after the Radical-Militant wing of the Basque secessionist organisation ETA had kidnapped Sr. Luis Alaita, the managing director, who was freed last week.

McNamara seeks more Bonn aid

BY ROGER BOYES IN BONN

MRI. ROBERT McNAMARA, the World Bank president, yesterday urged West Germany, Japan and the U.S. to increase their relatively small official aid programmes as soon as possible. The appeal followed a day of talks about the World Bank with Chancellor Helmut Schmidt and Herr Rainer Oeffeld, the Development Aid Minister.

Mr. McNamara's message was clear although, at a news conference here, he stressed that no criticism of Bonn was intended. West Germany, he said, contributed only 0.27 per cent of its GNP in 1977 to official development aid. This was well

below the internationally agreed target of 0.7 per cent, and even less than the average already achieved by member countries of the Organisation for Economic Co-operation and Development.

West Germany, which depends heavily on imports of raw materials, should be prepared to make sacrifices now if only to secure a better future economic relationship with the Third World.

Although Mr. McNamara argued yesterday, however, that such private transfers only rarely benefited the less developed countries—like Upper Volta, Mali and Bangladesh.

for a substantial official aid programme.

Bonn, when under fire for its official programme, frequently points to the large volume of private transfers between West Germany and the developing nations. The Bundesbank recently maintained that the combination of official aid and private payments from 1974 to 1977 averaged a respectable 1.1 per cent of GNP.

Mr. McNamara argued yesterday, however, that such private transfers only rarely benefited the less developed countries—like Upper Volta, Mali and Bangladesh.

Demand for Luns inquiry is rejected

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH Parliament yesterday rejected a call for a Government investigation into the membership of Mr. Joseph Luns, NATO Secretary-General, in a pro-Nazi Dutch Nazi organisation.

Mr. Luns' position in NATO was untenable if it turned out he had not been speaking the truth. Mr. Joop den Uyl, Labour Party leader, said. He pressed for an

investigation in an emergency debate called after the Government announced it planned no further action.

The Government opposed this on the grounds it would only throw up "assumptions and half-truths." Mr. Dries van Agt, the Prime Minister, said.

Mr. Luns confirmed in a letter to the Government his earlier suggestion that a brother had entered him as a member

of the National Socialist Movement (NSB) in 1935.

The same brother remained his name from the list three years later when Mr. Luns made it clear he did not want to be associated with the NSB, he added.

The Government was also criticised during the debate for allowing the Institute for War Documentation, which comes under the Education Ministry, to disclose details of Mr. Luns' past.

Guy de Jonquieres, Common Market Correspondent, recently in Stockholm, on Swedish-EEC relations

ON THE face of it, Sweden has made a reasonable recovery from the world-wide recession which followed the 1973 oil price increase. Its economic growth by 2.5 per cent in real terms last year, a figure comparable to that in several Common Market countries, and the official unemployment rate has been held down to an astonishingly low 2.5 per cent.

Inflation was a little over 7 per cent and is officially forecast at 5.6 per cent this year, while the trade balance moved back into a surplus of almost \$1bn.

Yet despite these modestly encouraging trends Sweden's industrialists are distinctly uneasy about the future. They complain that the apparent buoyancy of the economy is artificial, the result of injecting large sums of public money into job-maintenance schemes and the financing of production for inventory. They are worried that this feather-bedding has only delayed an inevitable shake-out in less efficient sectors and that in the meantime their international competi-

tiveness will continue to be eroded by steadily rising costs.

Most of all they are concerned about how Sweden, a small neutral country, will fare in the longer-term in a world that is becoming increasingly dominated by the U.S. and Switzerland. It purchased goods worth \$5.6bn from EEC countries in 1978, accounting for more than half its worldwide imports.

The main formal link is a trade agreement negotiated in 1972 and broadly similar to the accords concluded by Brussels with other EFTA countries. Since mid-1978, the bulk of merchandise trade in both directions has been free of duties. The two main exceptions are Sweden's steel exports, which are subject to the Community's external minimum price arrangements and a voluntary commitment to observe "traditional patterns" of trade and pulp and paper, which are allowed into the Community tariff-free only

Sweden plans £75m stimulus for industry

By William Dulforce in Stockholm

THE LIBERAL minority Government yesterday submitted to the Riksdag (Parliament) a SKr 661m (£53m) package of measures to stimulate Swedish industrial growth. The Bill marks a switch to the offensive after the huge state spending to defend the ailing shipbuilding, steel and textile industries over the past year, according to Mr. Erik Dahlberg, the Industry Minister.

The aim is to stimulate growth in those branches in which Sweden is judged to have long-term competitive advantages. It was not the Government's job to define those branches or products, but to offer general stimuli, Mr. Dahlberg told journalists when presenting the Bill, which covers the 1978-80 budget year.

It provides for an industrial development fund to be set up, which would have SKr 300m to spend during the first year on promoting new products, processes and systems. The intention is to back projects involving risk capital but with prospects of reaching long-term profitability.

The fund will be complemented by a SKr 4m campaign to encourage the establishment of new businesses. A SKr 1m allocation will pay for consultants to help employees who want to take over and run companies being closed down by their owners.

The regional development funds set up last year to promote small and medium businesses will have SKr 300m added to the SKr 1m they were originally allocated. The funds offer the smaller businesses cheaper credits than they could obtain from the banks.

The Government also wants to allocate SKr 47m to a new board which will co-ordinate Swedish consortium bids for large industrial and construction projects abroad. It will finance project preparations, tendering for contracts and similar activities. Some SKr 10m would be allocated in finding ways of expanding Swedish imports of technical know-how through licensing.

An appendix to the Bill calculates that an annual growth in Swedish exports of 8.6 per cent would be needed to reduce Sweden's payments deficit to SKr 500m in 1980. Mr. Dahlberg underlined the Government's commitment to the principles of the market economy. The exposure of Swedish industry to international competition was steadily increasing, but a commitment to free trade was essential, if industry was to be effective and capable of adjusting to changes in its working conditions.

Five days earlier, the Liberian Board, which held its inquiry in London, suggested that the Inter-Governmental Maritime Consultative Organisation (IMCO) should review the workings of the resolution concerning co-operation between member states in the aftermath of a shipping disaster.

The Liberian registered Amoco Cadiz, a very large crude carrier (VLCC) owned by the Amoco group and chartered by Shell International, was wrecked on the Brittany coast on March 17 last year, releasing its 220,000 tons of Iranian light crude onto the beaches and causing the worst ever pollution disaster.

While the primary cause of the disaster is blamed on a failure in the vessel's steering gear, the report criticises the "lamentable failure" of the ship's crew to maintain adequate records of the vessel's movements immediately prior to the steering failure.

On the steering gear failure itself, the Board concludes that the fact that the Amoco Cadiz did not have a fully independent steering system must result in "urgent consideration by IMCO at the earliest possibility."

Five days later, the Liberian Government set up an independent five-man Board of Inquiry into the incident chaired by Sir Gordon Willmer, a former Admiralty High Court Judge.

Describing immediately with the sensitive subject of "flags of convenience," the report states "the causes of this lamentable casualty were not to be found in the fact that the Amoco Cadiz happened to wear the Liberian flag, or that she was

THE EUROPEAN MONETARY SYSTEM

A case of life before birth

BY DAVID MARCH

FOR SEVERAL months European currencies have been behaving exactly as the European Monetary System—now expected to get under way next week after being stalled for more than two months—were already in operation.

The chart shows the movements of European currencies compared with their "central" rates against the Deutsche Mark. For the Dutch guilder, Belgian franc and Danish crown, these are the midpoint rates within the European currency "snake" set after the last DM revaluation last October. For Sterling, the Lira and the French franc, movements have been plotted on the basis of market rates against the D-Mark on the last trading day of 1978, which was planned as the base day for the operation of the EMS.

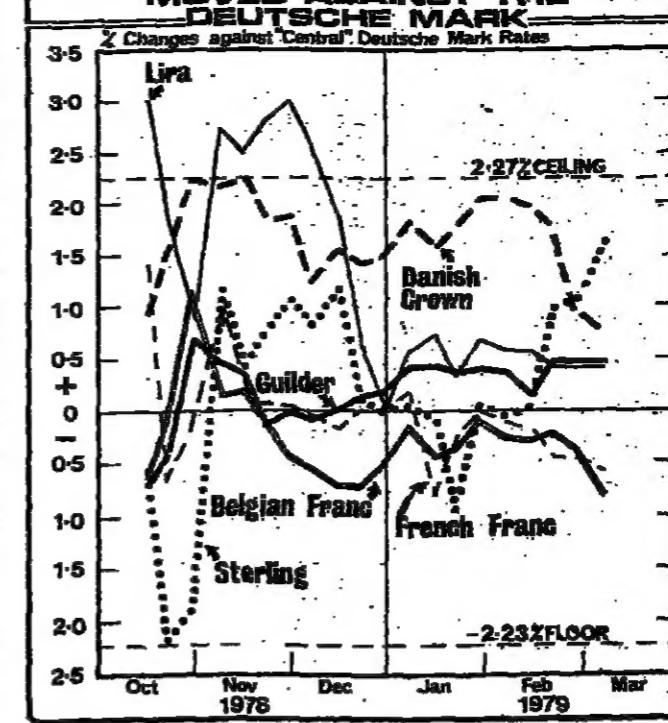
Since the start of the year all EEC currencies (including Sterling, which will not initially take part in the EMS intervention mechanism) have moved well within an overall 4.5 per cent band against the Deutsche Mark. More often than not, they have been in the upper rather than the lower half of it.

This spread (2.27 per cent above and 2.23 per cent below the central rates), the same as the one established under the snake scheme, is almost certain to be adopted as the basic divergence band once the EMS starts up, although Italy will probably at first opt for a wider spread for the lira.

Dr. Otmar Emminger, President of the Bundesbank, has already spoken of a "de facto" EMS being in operation—but he did not mean that EEC central banks have been intervening quietly to hold their currencies within nominal limits against the D-Mark.

In fact, there has been hardly

HOW EEC CURRENCIES HAVE MOVED AGAINST THE DEUTSCHE MARK



any intervention over the last few months either within the snake or by other EEC central banks to hold currencies in line with the D-Mark. Rather, intervention has been in the other direction, with snake central banks buying D-Marks on the market over the last month or so to repay heavy debt obligations to the Bundesbank: these have been reduced from DM 3.5bn just before the October Mark revaluation to around DM 1.1bn at the end of last month.

The French and German central banks are believed to have concluded a private agreement to lend support to the French franc if it looked like getting sharply out of line, but, as the chart illustrates, this has not been needed.

Why, then, have EEC currencies been so stable at a time when the revolution in Iran and the rising price of oil might otherwise have been expected to bring turmoil to exchange markets? The answer lies in the stability of the dollar since November U.S. support action was implemented. This has led to reversal of the large speculative movements of international money into the D-Mark, Swiss franc and especially the Yen, which took place towards the end of last year. It has indirectly boosted the "weaker" currencies such as the French franc and the Lira.

Over the last two or three years a pattern has developed within the "snake" system of pressures building up through such speculative currency movements every six months or so. Whether this trend will be maintained, leading to fresh unrest around the D-Mark later this spring, is a question which will be on the minds of EEC heads of government when they assemble in Paris next week to put flesh on the bones of the phantom EMS.

W. Germans forecast rise in investment

By Adrian Dicks in Bonn

WEST GERMAN industry appears to lack sufficient confidence in the present economic upturn to be planning more than a 4.1 per cent increase in medium-term investment, the IFO economic research institute of Munich reports.

On the basis of both its latest monthly business opinion test and of its annual survey of investment plans, IFO reports that most companies remain optimistic for 1979. The rate of capacity use remains high, although the institute concludes that this encouraging feature could change very quickly.

However, the Board is extremely critical of the "singular lack of co-operation" in the interim report from the independent Liberian Board of Investigation into the accident published yesterday.

In addition the Board, which held its inquiry in London, suggests that the Inter-Governmental Maritime Consultative Organisation (IMCO) should review the workings of the resolution concerning co-operation between member states in the aftermath of a shipping disaster.

birth

IF YOU DON'T THINK YOU CAN AFFORD £39 A WEEK FOR A COMPUTERISED ACCOUNTING SYSTEM, YOU'RE RIGHT.

YOU DON'T NEED ONE

For only £39 a week we can offer you a comprehensive payroll and financial accounting system.

In addition, this new system, the BCS 2030 will supply you with a wide range of management information as a by-product.

It will tell you your up to date profit situation, regular sales statistics and budget variances. It will give you instant credit control, automatic VAT control and automatic sales analysis.

The BCS 2030 is the most cost-effective system on the UK market, and with over 5,000 installations in the last three years behind us, we are pretty sure

we can design for and install an accounting system into any business.

We believe we have the best software library in the U.K. and in the unlikely event that we haven't encountered the problems in your field, then we'll design a system specially for you.

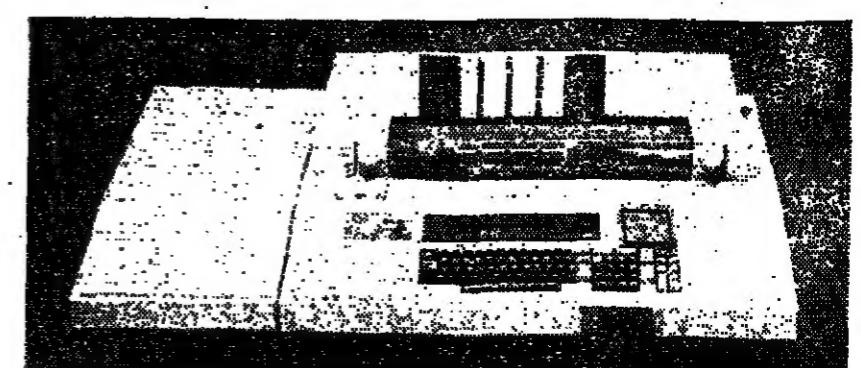
And there is nothing to worry about where support is concerned. With 29 branches around the U.K., we can give you all the support and service you'll need.

The new Olivetti BCS 2030 will give you all this and more for £39 a week.

And if you can't afford £39 a week, take it from us, you don't need one.

For a booklet on our new 2030 system send coupon to: Valerie Belfer, British Olivetti Ltd., 30 Berkeley Square, London W1X 6AH.

Name _____
Position _____
Company _____
Telephone _____
Address _____



olivetti

OUR BUSINESS IS BUSINESS

WORLD TRADE NEWS

Spain leaves OECD pact on shipbuilding credits

BY TERRY DODSWORTH IN PARIS

CHANGES IN the credit system used by the Western world's shipbuilding nations are almost certain to follow Spain's decision to withdraw from the non-binding agreement which governs the industry.

Talks at the OECD working group in Paris broke up yesterday with an agreement to meet again in about three weeks' time for a further discussion of the credit issue. Members are anxious to reach a conclusion because of fears that any further delays may cause the industry's fragile order books to crumble still further. There is evidence at the moment of shipowners delaying new contracts in the hope of improved credit conditions.

At the same time, Mr. Albert Gruebel, chairman of the working group and Swiss Ambassador at the OECD, made it clear yesterday that the ship-building countries were hoping to keep Spain within the lines of the understanding. This will occur automatically for the next few weeks, since Spain is bound by the understanding for a 3-month period after its decision to resign. But clearly if Spain is to be kept afterwards the other nations will have to move in the direction it is advocating.

The question is how widespread the support for Spain's policy of cheaper export credits will be. Although several countries would like to see an easing of the rates applied

Krupp wins \$200m Brazilian contract

BY JONATHAN CARR IN BONN

KRUPP-KOPPERS OF Essen, concern, has won an order from Brazil for design and construction of a plant for coal gasification.

The total value of the project, in which local Brazilian industry will also have a share, is put at about \$200m.

The contract for the plant, to be constructed at San Jeronimo in the state of Rio Grande do Sul, has just been signed between Krupp-Koppers and Petrobras, the Brazilian Government-owned oil company.

The object of this particular plant will be to convert bituminous coal with a high ash and sulphur content into gas.

The gasification process being used is the so-called Koppers-Totzek process.

The object of this particular plant will be to convert bituminous coal with a high ash and sulphur content into gas.

The gasification process being used is the so-called Koppers-

British exporters hit by strength of sterling

BY LORNE BARLING

BRITISH EXPORTERS are seriously concerned about the continuing strength of sterling on their export competitiveness, rating the problem as highly as wage awards in the UK which are outstripping those of foreign competitors.

Although the currency problem is more serious for companies exporting to the U.S. and for internationally price-sensitive sectors such as chemicals and textiles, its long-term implications are worrying.

According to both the Com-

federation of British Industry and the British Overseas Trade Board, exporters also regard currency instability as damaging to their efforts overseas although many companies regard it more as an inconvenience.

In manufacturing in general, the consensus was that companies must reconcile themselves to a stronger pound and place more emphasis on quality design and market suitability in particular.

According to recent surveys, there is no real evidence that currency fluctuations have a damaging effect on capital investment, although the lack of investment is considered to be the cause of Britain's lack of competitiveness in some product areas.

On the other hand, many companies do believe that a stronger, more stable currency will have the effect of holding down wage increases, which in terms of unit labour costs were up by 13 per cent last year, about twice the OECD average.

Japan fails to reach \$4bn import target

TOKYO—Japanese imports under an emergency scheme to cut Japan's trade surplus will reach about \$2.75bn for fiscal 1978 ending this month, below a target of at least \$4bn, International Trade and Industry Ministry officials said.

Emergency imports, financed by low-interest foreign currency loans from the semi-official Export-Import Bank of Japan totalled \$2.2bn at the end of January, they said.

About \$550m are expected to be spent by the end of this month on buying aircraft for leasing overseas and ships, they said.

Imports so far implemented included \$1bn advance payment for uranium enrichment services, \$322m on aircraft for leasing abroad, \$262m of ships, \$413m of crude oil, \$85m of pelletised iron ore, \$85m of uranium concentrates, and \$25m of chrome and nickel.

Reuters

Indian fines threat

Indian exporters supplying low-quality products face imprisonment and stiff fines, writes R. K. Sharma from New Delhi. This has been decided by the Government in its bid to improve India's image abroad and export performance which has been flagging in the past year. The punishment is proposed to be part of the Export Quality Control and Inspection Bill to be introduced in Parliament during its current session. Errant exporters face imprisonment up to three years and a fine of Rs 50,000 (about £5,500).

Textile machinery

Ernest Scragg and Sons, one of the textile machinery divisions of Stone-Platt Industries, has finalised contracts worth £11.4m with a West Europe manufacturer, Gallean Textiles, to China with Lord Roil's mission in September last year.

The Chinese sugar industry is relatively backward. Total consumption is only 5m tonnes a

year which works out at about 4kg of sugar for each Chinese citizen. About 1m tonnes of beet sugar is produced every year and around 3m tonnes from cane. The remaining 1m tonnes is imported. It appears the Chinese Government is seeking additional sugar capacity to replace imports and increase the consumption levels.

The initiative follows a trip by Booker's chairman, Sir George Bishop and the chairman of Tate and Lyle, Earl Jefferis, to China with Lord Roil's mission in September last year.

The Chinese sugar industry is relatively backward. Total consumption is only 5m tonnes a

Page 22

BAT re-opens market

BY OUR CONSUMER AFFAIRS CORRESPONDENT

BRITISH-AMERICAN Tobacco announced yesterday that it was to re-open exports of its international brands of cigarettes to China.

The agreement follows a recent visit to China by a delegation of BAT executives headed by Mr. Trevor Tice, the group's European co-ordinator.

The deal is to supply a variety of BAT's international brands from the U.S., Germany, and UK, including BAT's own State Express S55 brand and the Benson and Hedges and John Player brands which it exports

for other UK cigarette companies.

BAT emphasised that the agreement was only for "initial quantities" and that it hoped for increased sales in the long term.

China was for many years BAT's largest overseas market and the company hopes that this will give it the edge over competition from other manufacturers in capturing the potentially vast Chinese market.

China itself exports substantial quantities of tobacco leaf and it has also asked BAT's technical specialists to advise of developing its production.

Plant for Sudan

A contract valued at over £1m for installation at the Eritrean Cement plant, Atbara, a 20 km monorail, aerial ropeway has been awarded to Rema Ropeway Engineering (Copperneil Group), of Sevenoaks Kent; by Sudan's Building Materials and Refractories Corporation. The order, which includes site services for civil engineering, erection and commissioning, is the largest ever placed for a single industrial monorail ropeway.

More strings to your bow in Greater Manchester

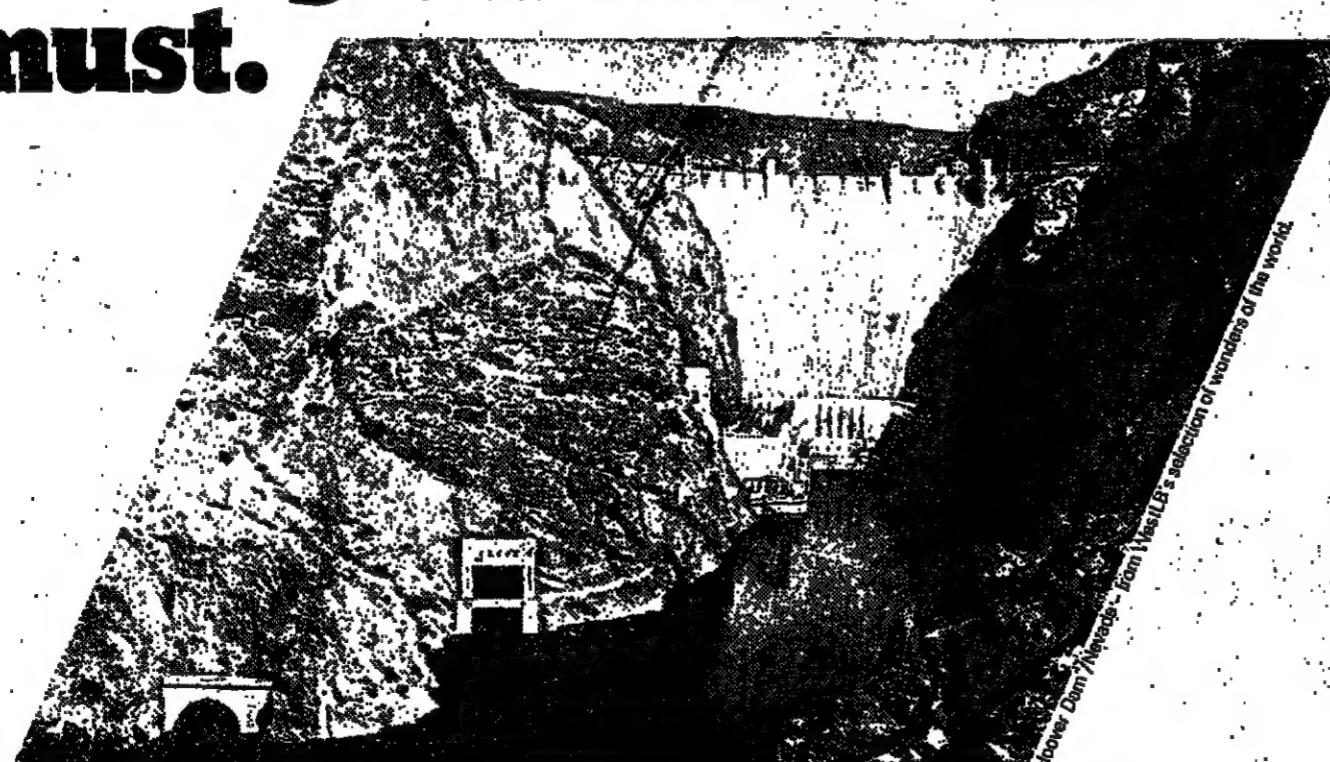
GMC
offers a helping hand to industry

with information on the availability of land and buildings, with help in claiming government grants and other assistance, with advice on various regulations, planning matters, sources of funds, and many other problems.

The Industrial Development Group
Greater Manchester Council
County Hall, Manchester M60 1EP
Telephone 061-247 3331

Talk in confidence to: John Peak or Graham Wolfe

For syndicated loans and bond issues a wholesale banking leader is a must.



Long-term capital investment, government or state agency-backed jumbo loans, or other large-scale financing call for a banking leader with all the credentials and expertise that guarantee a smooth, competitive functioning of any major money raising operation.

- Proven lead and co-management capabilities
- Experienced documentary knowhow
- Complete access to all major capital markets
- Strong placement power
- Secondary market leadership
- Extensive refinancing capacity
- Full international flexibility

These capabilities are Westdeutsche Landesbank's stock-in-trade. During the last full calendar year, it managed and/or co-managed a total volume of US\$16.4 billion. The Bank has the necessary capacity and expertise to provide client-oriented credit facilities either on its own or in cooperation with international financing partners.

The Bank's highly professional approach to initiate and organize international syndicates, its own vast resources, international flexibility and well balanced sources of funds make WestLB a solid wholesale banking partner for big-ticket finance.

A strong force in wholesale banking

WestLB

Westdeutsche Landesbank

Headquarters: P.O. Box 1128, D-4000 Düsseldorf 1. Tel. 0211/8261 - Frankfurt Office: Tel. 0611/25791
Branches: London, Tel. 01-543 6141; New York, Tel. 216-0681
Subsidiaries: WestLB International S.A., Luxembourg, Tel. 454 93; WestLB Asia Limited, Hong Kong, Tel. 529 206
Participations: Banque Franco-Allemande S.A., Paris, Tel. 359 0109; Banco da Bahia Investimentos S.A., Rio de Janeiro, Tel. 253 9823

Representative Offices: Latin America Office New York, Tel. 754-9620; Rio de Janeiro, Tel. 224 7162; Hong Kong and Southeast Asia, Tel. 5-22821; Tokyo, Tel. 231-1891; Melbourne, Tel. 67 8191

Participations: Banque Franco-Allemande S.A., Paris, Tel. 359 0109; Banco da Bahia Investimentos S.A., Rio de Janeiro, Tel. 253 9823

Japan
to reach
\$4bn in
target

February a better month for car production

BY LISA WOOD

CAR PRODUCTION, which was considerably held back by the haulage dispute in January, increased steadily last month.

Provisional Department of Industry statistics published yesterday show that seasonally adjusted output of cars in the four weeks ending February 24 was 103,000—an increase on January production figures of more than 9 per cent, but well below the 112,000 cars produced in the same period last year.

With the market still running at the same high level as last year car makers may face even higher imports.

The whole of the last quarter of 1978 was affected by the nine-week Ford dispute, and monthly production fell from 111,000 in September to 78,000 in October, 53,000 in November and 83,000 in December which was a five-week month.

Commercial vehicle production improved in February on its fairly high January level. The seasonally adjusted output was 37,800, surpassing the best month last year when more than 36,000 commercials were produced.

Building society chiefs unlikely to change rates

BY EAMONN FINGLETON

THE BUILDING Societies Association council is expected to recommend no change in interest rates at its March meeting today.

Following the gilt boom of the past three weeks, pressure on the movement to raise its rates subsided. Building society leaders believe the present rates structure—11½ per cent for most mortgages and 8 per cent for savings—is right for the foreseeable future.

Last week's one-point cut in bank rate was the confirmation of the movement needed that short-term interest rates are likely to continue for some time.

The industry has been cheered by a smaller-than-feared drop in net receipts last month. According to estimates by the Nationwide Building Society, the industry's net receipts totalled between £300m and £400m, compared with £289m in January.

The industry needs about £360m a month to satisfy mortgage demand without dipping into reserves of liquid funds.

Mr. Joe Bradley, general manager of the Nationwide, said: "March has begun very well and we are hoping the industry's total net receipts should improve between £300m and £350m."

"We are encouraged by the big inflows of money from small savers. People's real incomes have risen greatly and are still rising but their spending has yet to catch up."

Lords reject council house purchase case

IN EIGHT-YEAR legal battle Mr. Robert Gibson for the right to buy his council house in Manchester ended in defeat yesterday.

By a unanimous decision, the House of Lords held that there was no binding agreement between Mr. Gibson and Manchester Corporation for the sale of his house in Charlesown Road, Blackley.

Mr. Gibson's action was a test case which will affect the rights of 350 other tenants whose plans to buy their homes were blocked when Labour took control of the council from the Conservatives in 1971.

Mr. Gibson won the first round of his action at Manchester County Court when a judge ruled that he had a binding contract and could buy his house at the 1971 price of £2,150. He also won by a 2–1 majority in the Court of Appeal in January last year.

The council had agreed to pay all the legal costs of the case as a condition of being allowed to appeal to the Lords. Lord Diplock said he could sympathise with Mr. Gibson's disappointment on finding that he would not be able to buy his council house for £2,180.

CONTRACTS

Isis Plant places order for compressor units

ISIS PLANT has placed an order valued at over £32,000 with HYDROVANE for the supply of 11 portable compressor units.

An order worth over £200,000 has been won by GEO. BRAY AND COMPANY from Super-Ser for the supply of oxygen analyser, pilot and main burner injectors, together with thermocouples and valves with flame failure attachment.

ELLIOTT GROUP of Peterborough has received orders worth £180,000 from the Department of the Environment for the construction of residential and office accommodation at Alderrove, Northern Ireland, and Rath.

Contracts worth more than £1.2m have been won by HADENOUNG. Largest worth £600,000, installing air conditioning, heating and ventilation in Strathclyde University's new library in the former Collins publishing house in Cathedral Street, Glasgow.

Two major orders for kiln plant together worth about £50,000 have been won by RAYTON KILN COMPANY. A new 90-metre-long glass muffle kiln, together with extensions to

UK NEWS

Pollution fears bring new move to shut Sullom Voe

BY RAY PERMAN, SCOTTISH CORRESPONDENT

OIL COMPANIES with a share in the Sullom Voe terminal were told yesterday that the Shetland Islands Council would consider closing it temporarily, unless tougher measures were taken to stop pollution of beaches.

The council, which is port authority for the terminal, is concerned about tankers discharging dirty ballast water as they approach Shetland from the north-east.

Tar has been washed up on beaches and oil slicks have

been sighted at sea. Farmers and fishermen are worried about the effect on their livelihoods. The Royal Society for the Protection of Birds says that 6,000 birds have been killed.

Sullom Voe is an important link in the North Sea oil system. Crude is brought ashore by two pipelines from the Brent and Ninf field systems. Closure, even for a short period, would seriously affect the revenues of the companies.

Shortly after the official opening of the terminal in January there was a big oil spill when a tanker was holed and 1,000 tonnes of marine diesel fuel escaped, soiling beaches.

Since then the main problem has been that discharge facilities to take ballast water from tankers have not been in use, and some captains, anxious to load as much crude oil as possible, have discharged oily ballast water into the sea before reaching the terminal.

It is illegal for ships to flush their tanks within 50 miles of land, but outside the port area at Sullom Voe it has proved difficult to enforce this regulation.

Mr. Raymond Bentley, an Islands councillor, said that it might be necessary to close the terminal temporarily to enforce more stringent anti-pollution measures. If nothing had been done, the council would consider this at its next meeting in April.

Cavenham magazine will be called Now

By Max Wilkinson

THE NEWS magazine which Sir James Goldsmith, head of Cavenham Foods intends to launch in September will be called Now. It was announced yesterday.

It will consist of about 130 glossy pages, half in colour, and will be published probably on Fridays.

Yesterday, Mr. Anthony Shrimpsley, editor in chief, said the magazine would cover business, the arts, political comment and place a strong emphasis on colour photography.

He said that the magazine has been assured of financial support for a considerable period.

The magazine will have 60 editorial staff and among those recruited so far are Patrick Hether, of the Sunday Telegraph, who will be assistant editor.

Other journalists on the magazine include: Mr. Christopher Dobson and Mr. Ronald Payne, investigative reporters on the Sunday Telegraph; Mr. Edward Pearce, leader writer on the Daily Express; Mr. William Norris, former parliamentary correspondent of The Times

Companies clause divides MPs

BY ANDREW TAYLOR

THE COMMONS Standing Committee on the Companies Bill remained strongly divided yesterday on the wording of a clause which would allow workers to take company directors to court for failing to take due regard of employee interests.

He said there was already a large amount of legislation dealing with employee interests and said it was completely wrong to suggest that workers were utterly defenceless in the face of company directors.

If anything, the imbalance between shareholder and worker had very much swung in favour of employees.

Mr. Parkinson said the clause would mean that virtually every management decision would be open to debate. He said the clause could even damage the interests of the works it sought to protect.

Mr. Meacher had earlier refuted claims that industry would face a barrage of legal actions as a result of the clause. Fears that industry would be paralysed were groundless, he said.

He envisaged the clause would be triggered only in blatant cases where directors had completely ignored the interests of employees. It was designed to address an imbalance between the rights of shareholders and employees.

Mr. Cecil Parkinson, Conservative MP for Hertfordshire, said there was no obligation to take due regard to workers interests.

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE READY mixed concrete industry is expected to be investigated shortly by the Monopolies and Mergers Commission.

The Office of Fair Trading confirmed last night that Mr. Gordon Borrie, director-general of Fair Trading, had written to several of the leading ready mixed concrete companies asking for their comments on the proposed probe.

If Mr. Borrie decides to go ahead and refer the industry to the Commission, the companies' comments will be taken into account when drawing up the terms of reference for the inquiry.

The Ready Mixed Concrete Company said last night that it had been asked to comment on "whether a monopoly situation exists in favour of any suppliers of ready mixed concrete

in the UK and, if so, whether it operates or may be expected to operate against the public interest."

The Monopolies and Mergers Commission is also to investigate the supply in the UK of tampons used for sanitary protection.

The proposed investigation follows the discovery over the past two years of a number of restrictive trade practices in the ready mixed concrete in

To: Department of Energy, P.O. Box 702, London SW20 8SZ.

Most small-to-medium size firms waste 10-15% of all the fuel they use. Mine could be one of them.

I would therefore like to know how the Energy Survey Scheme can show me where wastage is taking place.

Please send me details of your scheme

Name _____

Company _____

Address _____



and a list of independent consultants. The consultant I choose will spend a day studying my company's energy use and send me a report recommending simple modifications which could lead to substantial savings.

I understand that the Department of Energy will pay up to £75, which is most of the cost of the survey.

Department of Energy.

9FT

-IF YOU CUT THIS COUPON, YOU COULD BE CUTTING YOUR COMPANY'S FUEL BILL.

GMC

Contract

Isis Plant places order

for compressor units

an existing biscuit kiln and

drier, have been ordered by

H. and R. Johnson (Malaysia)

as part of a major expansion

programme at the Selangor tile

factory. The second order, from

Redbank Manufacturing of

Measham near Burton-on-Trent,

is for two 61-cubic-metre truck-

type shuttle kilns.

S. WERNICK AND SONS has

received orders worth over

£120,000 for buildings including

classroom units for the London

Borough of Hounslow; a

maternity ward for the Walsall

area health unit; and an 18-bay

L-shaped office block for the

United Kingdom Atomic Energy

Authority's northern division at

the Dounreay nuclear establish-

ment in Caithness.

HUMPHREYS AND GLASGOW

has been awarded a £6m con-

tract by Kodak for a synthetic

chemicals plant at Kirkby,

Liverpool. In addition to the

production building, there are

adjoining service and warehouse

facilities.

The English Industrial Estates

Corporation has placed a contract

worth about £122,500 for site

development works at an advance

factory at Auction Mart, Wooler,

with J. G. GREEN AND SONS

WORLD TRADE NEWS

Spain leaves OECD pact on shipbuilding credits

By TERRY DODSWORTH IN PARIS

CHANGES IN the credit system used by the Western world's shipbuilding nations are almost certain to follow Spain's decision to withdraw from the non binding agreement which governs the industry.

Talks at the OECD's shipbuilding working group in Paris broke up yesterday with an agreement to meet again in about three weeks' time for a further discussion of the credit issue. Members are anxious to reach a conclusion because of fears that any further delays may cause the industry's fragile order books to crumble still further. There is evidence at the moment of shipbuilders delaying new contracts in the hope of improved credit conditions.

Rapid rise in aircraft sales

By Michael Donne,
Aerospace Correspondent

THE WORLD'S airlines are now buying new aircraft at a much faster rate than a year ago, despite concern over fuel supplies, and rising costs.

Mr. Bruce N. Torell, president of Pratt and Whitney, the biggest aero-engine builder in the world, said that orders for the company's engines so far this year were more than double those in the same period of 1978.

Recent major airline decisions in favour of P. and W. engines were those by Scandinavian Airlines System for its European Airbuses, Japan Air Lines for its five recently ordered Boeing 747s

Iran military equipment

By JAMES BUXTON

IRAN WILL continue to need outside help in servicing the £1.5bn worth of British military equipment it possesses if it is not to go to waste. International Military Services, the defence supply and support company belonging to the Ministry of Defence which has been operating in Iran, does not discount the possibility of returning that.

This was stated yesterday by Brig. Douglas Templeton, a director of IMS, at a conference on commercial openings resulting from UK/Middle East defence contracts. Currently IMS has withdrawn its personnel from Iran and, as with other British defence contractors, the future of its contracts is unclear.

But the revolution in Iran had made IMS look harder for defence support contracts elsewhere in the Middle East, Africa and Asia, and was not expecting contracts nearly as large as those in Iran. "We are less blasé than we used to be about contracts of less than £50m," Brig. Templeton said.

He told the conference, organised by the CBI and the Middle East Association, that some often individual British companies competed with each other for defence contracts in the same country. Other arms exporting companies avoided doing this, he said.

Krupp wins \$200m Brazilian contract

By Jonathan Carr in Bonn

KRUPP-KOPPERS OF Essen, part of the diversified Krupp concern, has won an order from Brazil for design and construction of a plant for coal gasification.

The total value of the project, in which local Brazilian industry will also have a share, is put at about \$200m.

The contract for the plant, to be constructed at São Jerônimo, in the state of Rio Grande do Sul, has just been signed between Krupp-Koppers and Petrobras, the Brazilian government-owned oil company.

The object of this particular plant will be to convert bituminous coal with a high ash and sulphur content into gas.

The gasification process being used is the so-called Koppers-Totzek process.

Such measures could cause some political embarrassment in countries where credits have to be built into national budgets and come under full public scrutiny—as in Germany, the Netherlands and the UK.

British exporters hit by strength of sterling

By LORNE BARLING

BRITISH EXPORTERS are seriously concerned about the continuing strength of sterling on their export competitiveness. While the terms of trade of the UK which are outstripping those of foreign competitors.

Although the currency problem is more serious for companies exporting to the US, and for internationally price-sensitive sectors such as chemicals and textiles, its long-term implications are worrying.

According to both the Con-

federation of British Industry and the British Overseas Trade Board, exporters also regard currency instability as damaging to their efforts overseas, although many companies regard it more as an inconvenience.

In manufacturing in general, the consensus was that companies must reconcile themselves to a stronger pound and place more emphasis on quality, design and market suitability in particular.

According to recent surveys, there is no real evidence that currency fluctuations have a damaging effect on capital investment, although the lack of investment is considered to be the cause of Britain's lack of competitiveness in some product areas.

On the other hand, many companies do believe that a stronger, more stable currency will have the effect of holding down wage increases, which in terms of unit labour costs went up by 13 per cent last year, about twice the OECD average.

About \$80m are expected to be spent by the end of this month on buying aircraft for flying overseas and ships, they said.

Imports so far implemented included \$1bn advance payment for uranium enrichment services, \$822m on aircraft for leasing abroad, \$262m of ships, \$413m of crude oil for stockpiling aboard idle tankers, \$85m of palletised iron ore, \$87m of uranium concentrates, and \$29m of chrome and nickel.

Indian fines threat

Indian exporters supplying low-quality products face imprisonment and stiff fines, writes K. K. Sharma from New Delhi. This has been decided by the Government in its bid to improve India's image abroad and export performance which has been flagging in the past year. The punishment is proposed to be part of the Export Quality Control and Inspection Bill to be introduced to Parliament during its current session. Errant exporters face imprisonment up to three years and a fine of Rs50,000 (about £3,250).

Textile machinery

Ernest Scragg and Sons, one of the textile machinery divisions of Stone-Platt Industries, has finalised contracts worth \$11.4m with a West Europe manufacturer, Colleen Toomey writes. Over the next few months Scragg will begin delivery of high speed draw-texturing machinery for polyester and fine denier nylon. The company decided to reveal the name of the customer as supply of the high-production machinery will involve redundancies and restructuring in the highly-competitive industry.

Plant for Sudan

A contract valued at over £3m for installation at the Maspion Cement plant, Albara, of a 20,000-tonne monocable aerial rope-way has been awarded to British Ropeway Engineering (Capper-Nell Group), of Sevenoaks, Kent, by Sudan's Building Materials and Refractories Corporation. The order, which includes site services for civil engineering, erection and commissioning, is the largest ever placed for a single industrial monocable ropeway.

For syndicated loans and bond issues a wholesale banking leader is a must.



Long-term capital investment, government or state agency-backed jumbo loans, or other large-scale financing call for a banking leader with all the credentials and expertise that guarantee a smooth, competitive functioning of any major money raising operation.

- Proven lead and co-management capabilities
- Experienced documentary knowhow
- Complete access to all major capital markets
- Strong placement power
- Secondary market leadership
- Extensive refinancing capacity
- Full international flexibility

These capabilities are Westdeutsche Landesbank's stock-in-trade. During the last full calendar year, it managed and/or co-managed a total volume of US\$ 16.4 billion. The Bank has the necessary capacity and expertise to provide client-oriented credit facilities either on its own or in cooperation with international financing partners.

With a balance sheet total of more than DM 80 billion, it ranks among the top twenty banks in the world and is among the first three in Germany. WestLB is also a recognized market maker in fixed interest securities.

The Bank's highly professional approach to initiate and organize international syndicates, its own vast resources, international flexibility and well balanced sources of funds make WestLB a solid wholesale banking partner for big-ticket finance.

A strong force in wholesale banking

WestLB

Westdeutsche Landesbank

Headquarters: P.O. Box 11000, D-4400 Düsseldorf, Tel. 0211-25791
Branches: Berlin, Tel. 030-64111; New York, Tel. 754-9600; Tokyo, Tel. 216-2061
Subsidiaries: WestLB International S.A., Luxembourg; Tel. 224-2010; WestLB Asia United, Hong Kong, Tel. 5-259-2061
Participations: Banque Franco-Allemagne S.A., Paris, Tel. 336-3103; Banco de Brasil, Instituto Financeiro S.A., Rio de Janeiro, Tel. 253-9823

More strings to your bow in Greater Manchester



with information on the availability of land and buildings, with help in claiming government grants and other assistance, with advice on various regulations, planning matters, sources of funds and many other problems.

The Industrial Development Group
Greater Manchester Council
County Hall, Manchester M60 3HP
Telephone 061-247 3311

Talk in confidence to John Peak or Graham White.

UK NEWS

كما يجيء

Big mail users find first-class service adequate or better

BY JOHN LLOYD

LARGE MAIL users consider the postal service "not as bad as public criticism would lead one to suppose," according to a survey published yesterday by the Mail Users' Association.

The association comments that "the report as a whole is by no means unfavourable to the postal business."

However, it said that the Post Office was in danger of having a service that did not measure up to its marketing effort. That, rather than prices, might become "the main stimulus in the search for alternative forms of communication."

More than three quarters of those surveyed said that first-class service was adequate or better, and two-thirds thought the same of the parcels service.

However, more than half the respondents found second-class mail service poor or very poor. Four-fifths opposed replacement

of the second-class service by a single delivery staggered throughout the day.

Fewer than half thought that the continued abolition of the Sunday collection had a significant effect on their businesses, down by some 15 per cent from last year.

On price, the survey showed that more than four-fifths of large users thought that a 1p price rise on letters this year was reasonable. Almost as many would consider a 1p rise unacceptable.

The Post Office scored well on "customer relations," with 86 per cent of respondents believing that marketing staff were helpful; up from 68 per cent the previous year.

More than seven-tenths considered postal promotion effective, up from only 43 per cent in the previous year.

Portugal in talks to ease Gatwick congestion

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TALKS BETWEEN the UK and Portuguese Governments on the transfer of Portuguese air services from Heathrow to Gatwick airport were resumed yesterday.

Representatives of both governments and the Portuguese airline, TAP, visited Gatwick yesterday to inspect facilities there.

The UK Government's policy of transferring some passenger

traffic from Heathrow to Gatwick to ease congestion at the former airport, has run into difficulties in recent months, with all the foreign airlines approached adamantly opposing any move.

Talks with the Spanish authorities took place in January, and representatives of the Spanish Government and Iberia Airlines have visited Gatwick, but no decisions have been made.

Office permits decline reflects policy changes

FEWER OFFICE Development Permits were issued in 1977-78 than in the previous year but there was an increase in the gross floor area involved.

The figures reflect changing office development policy and an easing of the restrictions in some areas.

In the 12 months ending March 31 last year 156 permits were issued compared with 232 in the previous year. However, the gross floor area involved increased from 13.7m square feet to 15.5m square feet.

The decrease in the number of permits issued in 1977-78 and the increase in the average size of developments was partly due to the raising of the exemption limit in June 1977 from 15,000 square feet to 30,000 square feet.

The increase in the floor space involved reflects the change in policy to favour the inner areas of London. This was designed to encourage a limited number of speculative office developments contributing to the regeneration of inner London areas.

£12m micro-chip fund for youth programme

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

INDUSTRIAL bodies are to join teachers' unions and local education authority representatives in controlling a £12m programme to develop young people's understanding of microelectronics, the Department of Education and Science announced.

The various bodies will form a committee to manage funds distribution and staff appointments for the programme, whose day-to-day operations will be run by an agency based on the Council for Educational Technology.

Report stresses value of 'infill development'

INNER CITY local authorities should take a closer look at the potential for renewed use of old sites by infill developments, said the advisory Environmental Board.

A working party's report, pre-

pared by the Board for the Department of the Environment, stressed the importance of infill development in improving inner city areas and called on local authorities to "treat infill as a subject in its own right."

Promoting education about Europe

MORE THAN 50 educational interest groups—but not industrial representatives—are to form the United Kingdom National Conference for the multi-national Centre for European Education.

The centre, which exists to

promote teaching and learning about Europe throughout formal education, has similar national committees in Austria, Belgium, Denmark, France, Ireland, Italy, Luxembourg, the Netherlands, Sweden, Switzerland and West Germany.

WE, THE LIMBLESS, LOOK TO YOU FOR HELP

We come from both world wars. We come from Kenya, Malaya, Aden, Cyprus... and from Ulster. From keeping the peace no less than from war we limbless look to you for help.

And you can help, by helping our Association, BLESMA (the British Limbless Ex-Servicemen's Association) looks after the limbless from all the Services. It helps, with advice and encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that red-tape does not stand in the way of the right entitlement to pension. And, for severely handicapped and the elderly, it provides Residential Homes where they can live in peace and dignity.

Help BLESMA, please. We need money desperately. And, we promise you, not a penny of it will be wasted.

British Limbless Ex-Service Men's Association

GIVE TO THOSE WHO GAVE—PLEASE

Directors' Institute plans General Election lobby

BY LISA WOOD

THE Institute of Directors yesterday released a business leaders' manifesto calling on the incoming government to act fearlessly against all obstacles to competition. A copy of the booklet will be sent to every candidate in this year's General Election.

Election '79 — The Business Leaders' Manifesto, sets out a six-point plan for reforming industrial relations law, cutting personal tax liability to boost incentive and "rolling back the encroachment of the State on the country's commercial and industrial life."

Mr. Denis Randolph, the Institute's chairman, said this was the first time such an approach had been made by businessmen. The Institute represents 30,000 company directors whose companies employ more than 5m workers.

Mr. Randolph said: "We consider this election will be crucial in determining whether Britain continues to decline and to face rising inflation and unemployment, or whether she has a flourishing industrial and commercial sector which can sustain the rising living standards everyone has come to expect."

The Institute calls on the incoming government to promote a competitive economy by cutting back on State involvement.

Consumer Council backs Sunday shopping plan

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE NATIONAL Consumer Council yesterday gave its backing to parliamentary moves to change the law on Sunday shop hours in spite of ambiguous market research into shoppers' preferences.

The Council's move comes in advance of next week's House of Lords debate on a Bill to extend Sunday trading throughout the UK.

At present the law allowing certain shops to open for trade on a Sunday is full of anomalies which are "unfair to traders and incomprehensible to consumers," says the council.

The laws restricting Sunday trading are unnecessary, openly flouted and cannot be properly enforced," claimed Mr. Maurice Healey, head of the council's consumer policy unit yesterday.

The council's view has however been weakened by a special poll of nearly 2,000 people carried out by NOP Market Research — which showed that only 4 per cent of those surveyed wanted all day Sunday trading. But about a fifth of consumers surveyed wanted food and chemists shops to be open.

Aims lists 1,104 concerns involved in State network

BY JAMES McDONALD

A LIST 11 ft long, of 1,104 concerns which the State owns or has a stake in is published today in a research paper by Aims, the free-enterprise organisation.

There are at least another 200 more companies which are inactive but still publicly owned, according to Mrs. Susan Warhurst, the author.

The list appears to be exhaustive, naming not only 100 per cent owned organisations but their subsidiaries and ancillary companies and itemising shareholdings.

Enterprises listed include hotels, safari lodges, travel agencies, advertising companies, stevedores, road materials producers, bridge builders, a "cottage trust," a football club, Scout Computer Services, up to British Leyland, and Cable and Wireless.

In a foreword to the booklet Mr. Michael Ivens, the Aims director, writes: "Companies could be driven to the point of collapse and the National Enterprise Board given unlimited funds so that it could take them over."

Still More Galloping Nationalisation: Interests in British Industry. Published by Aims, 100 Doughty Street, London, WC1. £2.10.



Terry Kilk
Mrs. Warhurst stands on the steps of the National Enterprise Board

Engineers join row over road conditions

Financial Times Reporter

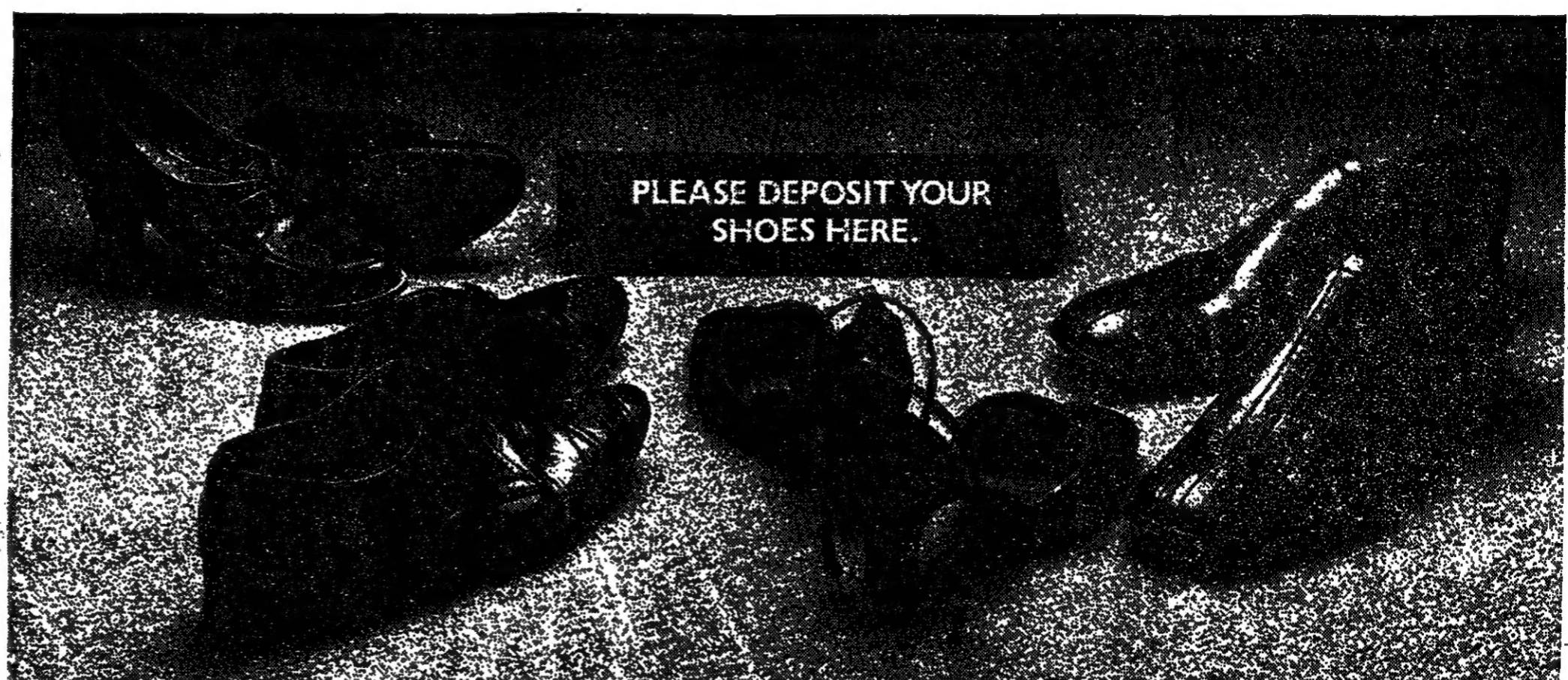
CIVIL engineers yesterday joined the row over the state of Britain's roads in the wake of the worst winter for 16 years.

Mr. Jack Seeley, chairman of the Federation of Civil Engineering Contractors, said roads had been unable to withstand the snow and ice primarily because of years of neglect by local and central Government authorities.

"Properly maintained roads do not fall apart, whatever the weather," he told civil engineers in the Midlands. "For years we have been telling the politicians that neglected, cracked and potholed roads would suffer very expensive damage if we had a severe winter. Now it has happened and, of course, they are busily trying to pass it off as a natural disaster, completely outside their control."

Although politicians knew that the poor road surfaces were causing more deaths and injuries and greatly increasing vehicle repair costs, they had turned a blind eye and preferred to support more vote-catching projects, he said.

Mr. Seeley's remarks echoed last month's statements, by the British Road Federation and the Automobile Association.



How far are you prepared to go to protect your new carpets?

Asking people to leave their shoes at the door is one way to stop them leaving their mark on your new carpets.

But hardly very practical.

Instead, consider the benefits of Scotchgard Carpet Protector.

It's a new chemical treatment that impregnates every fibre to make the carpet resistant to dirt, grime and spills.

The principle's much the same as a non-stick saucepan.

Once Scotchgard Carpet Protector's been sprayed onto your carpets, they'll be ready to walk on within 24 hours.

You can't see it, smell it or feel it.

In fact, the first time you'll notice any difference is after the cleaners have vacuumed the carpet.

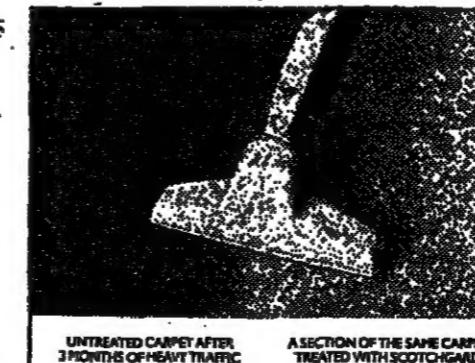
Because dirt is held loosely in the pile, it'll vacuum up without leaving a soil mark.

Liquids just can't penetrate the fibres either, so you can mop up most of a spill before it soaks in.

Oil or water-based, it makes no difference.

And anything that does sink in will come out when the carpet's cleaned.

Quite simply, a new carpet treated with Scotchgard



Protector will keep its new looks up to three times longer.

Our treatment's equally effective on pure wool, fibre combinations and all 100% man-made fibres apart from polypropylene.

And the cost? About the same as the price of good underlay.

Which, with good quality carpets now costing at least £10 a square metre, has to make our treatment a very practical proposition indeed.

Just send us the coupon below and we'll put you in touch with a specially trained applicator who can give you a free, no-obligation estimate.

After which we can promise you the after-sales service and advice of the 3M carpet care and maintenance division.

Scotchgard®
Carpet Protector

To: R. Harris, Building Service Trades, 3M United Kingdom Limited, P.O. Box 1, Bracknell, Berkshire RG12 1JU.
I would like a free no-obligation estimate for treating my carpets with Scotchgard Carpet Protector.

Name _____

Company _____

Address _____

Tel. No. _____

FT/3/79

3M

3M and Scotchgard are trademarks.

UK NEWS - LABOUR

Hospital vote for pay offer

BY OUR LABOUR STAFF

THE EXECUTIVE of the National Union of Public Employees was rebuffed by ancillary staff members at the Westminster Hospital yesterday when a mass meeting voted by a large majority to accept the Government's pay offer.

The decision, by more than 300 domestic workers, porters, cleaners and cooks, brings to an end a work-to-rule for nearly two months in support of the public service unions' pay campaign.

Their union was the only one last Tuesday to recommend rejection of the latest pay offer to hospital ancillary workers, an unpopular decision with the other unions.

Mr. Jamie Morris, the hard-line branch secretary of NUPE who threatened earlier this week to black Mr. David Ennals, Social Services Secretary, as a patient at the hospital, said it was pointless for NUPE members to "go it alone" when the other unions had accepted the

9 per cent offer with 1% "on account" and a comparability study.

A legally enforceable minimum wage of two thirds of average male earnings is sought by a campaign launched yesterday, Wageline.

It is backed by a dozen MPs: Mr. Alan Fisher, NUPE general secretary; Mr. Frank Field, director of the Child Poverty Action Group; the Low Pay Unit; and the general secretaries of the agricultural workers' and bakers' unions.

Its object is to set a minimum wage—at present £60 a week at two-thirds of the national average—which would be above the so-called "poverty line" and which trade unions would have the right to enforce against employers through the courts.

The Council of the Royal College of Nursing at its meeting expressed anger at the Government's pay offer to

nurses to "go it alone" when the other unions had accepted the

Editorial comment, Page 22

Civil Service discussions

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVICE union leaders met officials of the Civil Service Department to discuss pay yesterday. They received no further clarification of how the Government intends to stage a settlement for 600,000 white-collar civil servants.

The Department of Trade said yesterday that trade figures due to be published on Wednesday, would not be available because of a strike by Civil Service computer operators at Southend.

Yesterday's meeting was arranged after Lord Pethick, Lord Privy Seal, agreed last week to recommend to the Cabinet that

5,000 shut GEC plant after death of foreman

ANOTHER 95,000 WORKERS JOIN PAY QUEUE

Electricians offered 9% deal

BY PAULINE CLARK, LABOUR STAFF

ANOTHER 9 per cent pay offer was made to a group of public sector workers yesterday at the resumption of pay talks covering some 95,000 manual workers in the electricity supply industry.

Leaders of the four unions in the industry raised a number of objections to the terms of the offer, however, and talks were adjourned for a month to allow more time for both sides to consider their positions.

The unions will probably want to see the results of the miners' pay negotiations before settling on a deal.

Mr. Frank Chapple, general secretary of the Electrical and Plumbing Trades Union and the leading union negotiator, said:

"We always look for settlements

that are no less than the miners get. In any case, he added, the offer so far was "unacceptable."

Guidelines

He described the offer as conforming with Government guidelines. It ranges from more than 5 per cent (about £3.60) for labourers at the lowest level to about 13 per cent for foremen and others in the top grade.

The average rise, however, would be in line with the miners' latest 9 per cent offer and reinforces the apparent willingness of the Government to allow that level to pass officially as a new ceiling for the remainder of this year's wage round.

The employers have refused to grant a 35-hour week—one of the main points in the union's series of demands—but Mr. Chapple made clear that so far there had been no threat of industrial action.

The talks were lobbied by more than 50 shop stewards from power and transmission stations throughout the country, including a delegation from the Yorkshire unofficial shop stewards' committee. Its leaders led the action in 1977 that resulted in nationwide blackouts.

The shop stewards said the main objection was to the small increase for the lowest grade. Average earnings are at present £75 a week at the lowest, £90 for craftsmen and £115 for

Managers' body seeks toehold in aerospace

By Alan Pike,
Labour Correspondent

THE Engineers and Managers Association, which last month won recognition from British Shipbuilders in spite of fierce opposition from other unions, yesterday announced a move which promises to give it a foothold in the aerospace industry.

Leaders of the non-TUC affiliated British Aerospace Professional Staff Association (BACSTAFF) have agreed in principle to join the EMA. BACSTAFF members will be balloted on a transfer of engagements in the next few weeks. A "yes" vote means that the amalgamation will take place by July 1.

The EMA procedure recalls the way it entered the shipbuilding industry, through a transfer of engagements with the Shipbuilding and Allied Industries Management Association.

Shipbuilding has one nationwide staff association, but British Aerospace has several professional staff at the Warton division, Preston. But Mr. John Lyons, general secretary, said yesterday that he believed other aerospace associations would want to follow BACSTAFF's example "so that the professional and allied staff in the aerospace industry can have a united voice."

The EMA is getting up an aerospace group, in the hope of increasing its membership in the industry.

This bid to enter the aerospace industry guarantees the EMA yet another fight with the Confederation of Shipbuilding and Engineering Unions, and particularly TASS, the white-collar section of the Amalgamated Union of Engineering Workers.

EMA morale soared last month when, despite Confederation opposition, it won recognition from British Shipbuilders.

Mr. Lyons said the recent breakthrough followed the shipbuilding decision "even more quickly than we had expected". In many leading industries, professional staff are turning to the EMA, he said.

Bid to speed notification of accidents

By Maurice Samelson

FASTER notification to the Health and Safety Commission of fatal or serious industrial accidents would take place under new draft regulations announced by the commission today.

For the first time, serious and fatal accidents to members of the public caused by work activity would have to be reported to the Health and Safety Executive, the commission's operational arm.

The proposed regulations are intended to simplify existing notification procedure. Proposals for Notification of Accidents, Dangerous Occurrences and Ill Health Regulations and Guidance Notes, Health and Safety Commission (HMSO), 50p.

The powerhouse.

Burroughs large computers give you reliable, cost-effective power for high productivity. And they're easy to manage.

Our family of large computers includes the B 6800 (shown below), and the B 7800. These multiprocessing, multiprogramming systems offer outstanding price-performance.

And for computers that are among the most powerful you can buy, they're amazingly easy to use. Because Burroughs Master Control Program manages the system for you. It simplifies operation and control, leaving programmers free to concentrate on data processing applications.

Our large computers let you grow from a single processor B 6800 to a multiprocessor B 7800. Without reprogramming or recompiling.

And with a Burroughs system, you get more than just a computer. You get our 90 years experience in information management, plus system software, application programs, customer training and system support—even the business forms and supplies you need.

See our small computers in action. Phone your local Burroughs office or contact Burroughs Machines Limited, Department PRA, Heathrow House, Bath Road, Hounslow, Middlesex, England TW 5 9ZL.

Steel production men's pay talks to resume

BY OUR LABOUR STAFF

PAY TALKS for 90,000 steel production workers resume on Monday. Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, said yesterday that at one stage in the talks a "suicidal stoppage" in the industry had been averted "only by the self-discipline of the union.

Closure notice for the Birston steelworks, Staffs, expected to be given at a meeting between the British Steel Corporation and the TUC Steel Committee, was deferred when the meeting was postponed until next week.

Leaders of the confederation will look for further improvements to BSC's offer of increases of 8 per cent, with holiday improvements worth 1 per cent more, when they meet the corporation on Monday.

Mr. Sirs, writing yesterday in his union's journal, said that if the corporation was to consolidate present pay policy supplements into basic rates, which is likely to add 1 per cent to the offer, it would remove an important obstacle to an agreement.

Steelworkers were prepared to forego an increase in real earnings to help toward a 35-hour week in an effort to save jobs.

However, he added: "It would be a complete abdication of responsibility collective bargaining if only massive pay claims backed by immediate threats of industrial disruption are seen to be successful."

"There must be an incentive for moderate negotiators if we are to stop the drift to industrial anarchy."

Officials of the Steel Industry Management Association, representing 12,000 managers in the industry, were offered an increase of 8 per cent in talks with the corporation yesterday, in

BL workers end strike

BY PHILIP BASSETT AND ARTHUR SMITH

BL CARS will resume normal production at Triumph, Coventry, on Monday and recall the 3,500 workers laid off.

The move follows an agreement yesterday by 300 machinists to return to work after a week-long strike. The men walked out in protest at company proposals to transfer 32 machinists on a temporary basis from engine production to assembly work.

Unions said the work was not suitable for machinists but have agreed to go back provided management fills the positions by

midday on Monday.

Lord Scanlon, president of the Confederation of Shipbuilding and Engineering Unions, said yesterday that there had been very severe criticism of the participation scheme within BL, and the meeting next week was aimed at providing concrete evidence of those criticisms.

Standing commission faces suspicion from Left and Right

BY CHRISTIAN TYLER, LABOUR EDITOR

THE STANDING commission launched by the Prime Minister on Wednesday has been greeted with mixed scepticism by the Conservatives and with more local criticism by the Confederation of British Industry.

In spite of Mr. Callaghan's assertion that the body had not been set up merely to clear away present disputes involving manual workers in local authorities, the health service and the universities, the suspicion remains that the Government has bowed to expediency in the knowledge that a General Election is likely to come between today's promise and tomorrow's delivery.

The commission is also vulnerable to Left-wing charges that if, as the Prime Minister says, it will operate indefinitely, then it will inevitably become the embodiment of a permanent incomes policy. Mr. Callaghan almost admitted as much in the House of Commons.

Furthermore, in spite of the Government's apparent wish to produce a fresh-looking committee, untainted by previous pay crises and expensive ad hoc solutions, it has secured the services of Professor Hugh Clempson of Warwick University, who fell foul of the Heath Government for serving on the last big council manual workers' inquiry in 1970, whose award Mr. Heath considered inflationary.

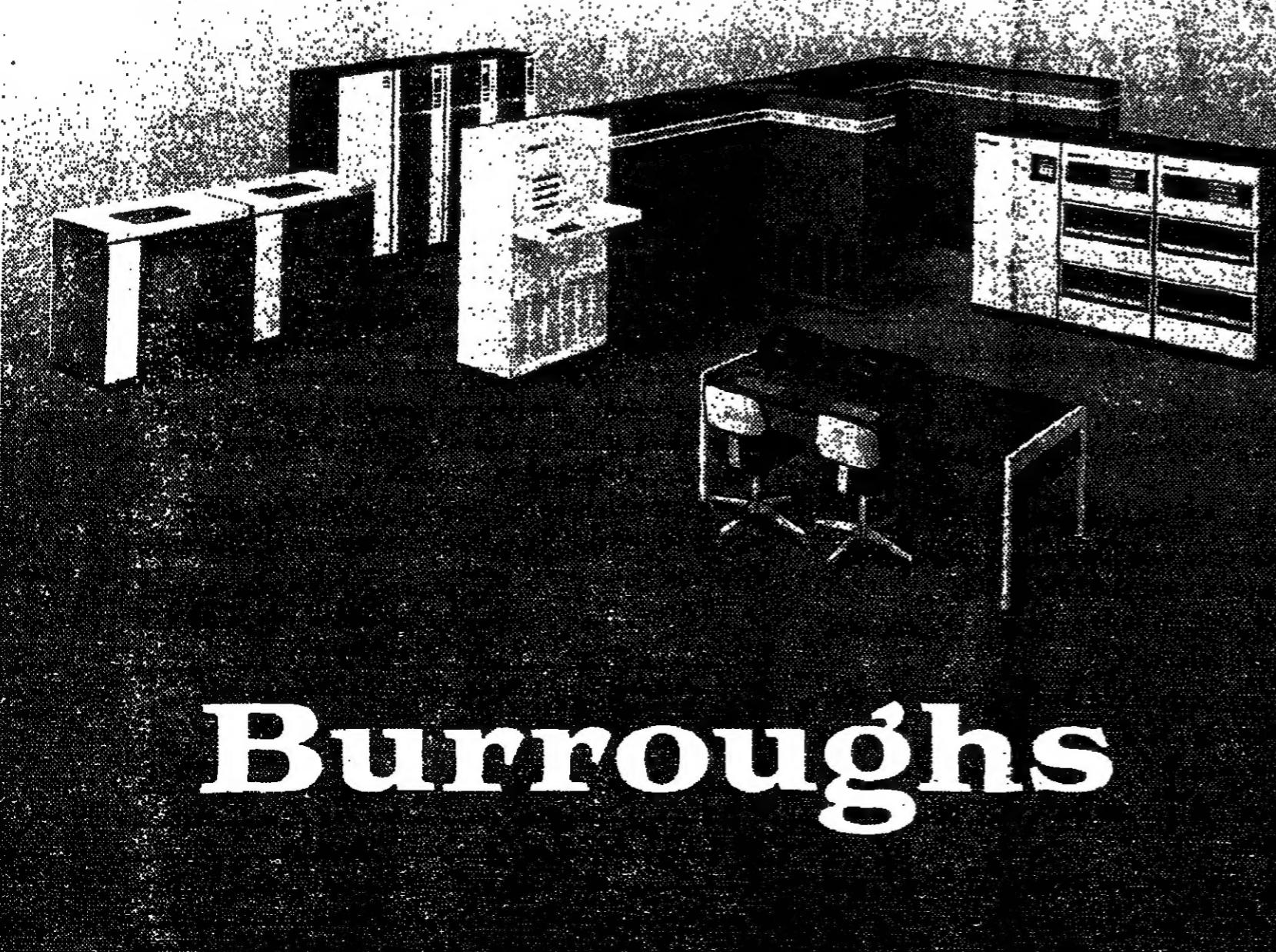
The other members of the

standing commission so far announced are Mr. Harry Urwin, soon to retire as deputy general-secretary of the TGWU, Sir Leslie Williams, former secretary-general of the civil servants' Whitley Council, Mr. Peter Gibson, former BP personnel director, Sir William Ryland, former Post Office chairman, and Professor Joan Mitchell, professor of political economy at Nottingham University.

The Government and the TUC can reasonably claim, however, that the naming of the new committee is mainly accidental. Proposals for a body to keep the public services in touch with private-sector earnings have been around for many months.

Mr. David Bassett, of the General and Municipal Workers' Union, was promoting the idea early last year and the TUC's Congress resolution of last autumn, despite its call for an end to Government interference in wages, pointed in the same direction when it emphasised the need to remove "discrimination" in public sector wages. Still more specific proposals were incorporated in the joint TUC Government statement of that summer.

They will consider whether the commission should be used as a kind of statistical service which would produce bargaining parameters for conventional negotiation, and consider the scope for widening its orbit to include the trading parts of the public sector, and even the private sector as well.



Burroughs

Manager
body
toehold
aerospace

UK NEWS – PARLIAMENT and POLITICS

الجامعة

Mason
sees
'progress'

Callaghan hedges on plans for Assembly

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

WHILE THE Cabinet was wrestling with the problem of what to do next over devolution for Scotland and Wales, the Government was being pressed in the Commons to push ahead with devolution for Northern Ireland.

Mr. Roy Mason, Northern Ireland Secretary, admitted that most people wanted devolution but that there is no immediate prospect of a referendum: "The majority of people do want devolution in Northern Ireland," he said. "Parliament must take the decision about a referendum."

Mr. Mason refused a request by Mr. Michael McNair-Wilson (C, Newbury), to publish a brief paper on his recent devolution discussions with the SDLP and Ulster Unionists in Northern Ireland. All he would say was: "There has been political progress."

Mr. Alrey Neave, Opposition spokesman on Northern Ireland, said: "There has been little progress for interim devolution." He suggested locally elected councils.

The Rev. Ian Paisley (UUP, Antrim N.) reported: "Most people don't want local government. They want devolved government for Northern Ireland."

Scots move to heal their devolution rifts

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE Scottish executive of the Labour Party will attempt this weekend to maintain unity over devolution and avoid a split which could damage the party before the election.

The embarrassing outcome of last week's Scottish referendum has ensured that devolution will dominate the party's annual Scottish conference, which opens in Perth today.

The Labour leadership is anxious to heal the divisions which emerged during the referendum campaign when the nominal Labour Votes No committee played an important part in defeating official party policy.

The Scottish executive is likely to ask conference to maintain its commitment to set up some form of assembly with limited powers over domestic debate.

Brickbats returned

BY ROY HODSON

THE nationalised industries were an easy target for consumer organisations wishing to throw bricks, said yesterday Sir Francis Tambs, chairman of the Electricity Council.

He was speaking at an all-party Commons select committee during a sharp exchange with Mr. Mike Thomas (Lab., Newcastle-upon-Tyne).

Mr. Thomas repeatedly accused the Electricity Council of trying to delay the effective participation of the Electricity Consumers' Council in the basic decision-making processes of the industry.

The select committee on nationalised industries was hearing evidence from Sir

Francis about relations between consumers and the electricity industry.

There was no question of the Electricity Council trying to avoid a closer working relationship with the one-year-old Electricity Consumers' Council, he said.

But it had to be recognised that the Consumers' Council was having to learn about the complex issues of the electricity industry.

The electricity industry has had 30 years' experience with various forms of consumer councils.

"But the new Electricity Consumers' Council has been in existence for only one year

Nurses offer praised

Anyone who suggests that the Government's 9 per cent pay offer to nurses is derisory must have lost touch with reality, the Prime Minister told the Commons yesterday.

He was replying to Mr. Paul Dean (C, N. Somerset), who asked why nurses who would not strike were being offered the same as employees who were prepared to use patients as hostages.

Mr. Dean suggested this was another example where militancy paid and dedication to duty did not.

Mr. Callaghan rejected this as an entirely false conclusion.

Mr. Callaghan added: "I do not think that we should introduce, as a basis for fixing remuneration, the question of whether people default on their duties."

"That should be dealt with by stopping their remuneration when they strike."

Tax amnesty denounced

THE Inland Revenue decision to grant a "tax amnesty" to Fleet Street casual workers was denounced in the Commons yesterday as setting up one law for trade unions and another for everyone else.

Mr. Terence Higgins (C, Worthing) called for an emergency debate on the decision.

But the Speaker rejected Mr. Higgins' request.

"We are talking here of evasion which is a criminal offence," Mr. Higgins said. The precedent would create dangers and would bring into question the way our tax system operated.

He also attacked the way a union could negotiate a "blanket amnesty" for mem-

bers, when the matter was that of individual payments.

Earlier the amnesty was attacked by Mr. Nicholas Ridley (C, Cirencester and Tewkesbury), the sponsor of a Bill aimed at tackling the same problem.

He claimed the Revenue had asked for the amnesty "with Ministers' connivance . . . just because the Fleet Street workers were members of trade unions."

It broke the tradition where all citizens were treated equally and meant the old, the low paid and others would have to pay more tax.

The Speaker also rejected a call for an emergency debate on industrial action in the National Health Service.

Liberal policy defined

BY OUR LOBBY STAFF

LIBERAL and democrat candidates throughout Europe will be arguing in the coming elections for an increase in the European Parliament's powers over the Community budget and legislation.

In reply, Mr. Callaghan emphasised that there had, in fact, been a majority in favour of Scottish devolution and this had to be taken carefully into account in deciding the best way forward.

There were jeers from the Conservatives when Mr. Callaghan admitted that at the time of his TV appearance last week he had not realised that the result of the referendum in Scotland would be so close.

He suggested that it may be a few weeks before the Government brings forward the orders amending the devolution proposals contained in the Scotland and Wales Act.

The Government remains committed to a policy of devolution. How it is to be achieved is another matter," declared Mr. Callaghan.

The Cabinet is said to be giving most earnest consideration as to how devolution could be carried forward in the light of the majority secured in the Scottish referendum.

Once again, the Prime Minister came under heavy pressure from Mrs. Margaret Thatcher, the Conservative leader, the Liberals and the Scottish Nationalists to say clearly what his intentions are.

Mr. Thatcher reminded him that on TV last week he promised that he would say this week what would happen to the Scottish and Welsh Assemblies if the 40 per cent vote was not reached.

The argument over devolution had been going on for 10 years and therefore it was not unreasonable to have a few further weeks to consider it.

He urged the Prime Minister:

"Don't let this matter rest for a few weeks with no statement at all."

Mr. Callaghan told him that Parliament had inserted the 40 per cent provision into the Act and that this had not been secured.

The battle spilled over into questions to Mr. Michael Foot, leader of the House, Mrs. Margaret Bain (SNP, Dunbartonshire E) called for a vote of confidence on the devolution issue.

Mr. David Steel, the Liberal leader, argued that it was important that some form of devolution should remain.

Mr. Callaghan told him that Parliament had inserted the 40 per cent provision into the Act and that this had not been secured.

Are we to see a continuing lack of commitment from the Labour Party whose inactivity contributed to the low majority?" she asked.

It also stresses the need for a common environmental policy and for a regional policy which would provide equal opportunities for all areas.

Pym contemplates 'worst crisis ever'

BY ELINOR GOODMAN, LOBBY STAFF

THE WORLD could be on the brink of the worst crisis ever. Mr. Francis Pym warned in his first major review of foreign affairs since taking over as Shadow Foreign Secretary five months ago.

To avert it, he said, it was essential that Western nations adopted a less insular approach to foreign policy.

At present, he implied, neither Britain nor America was doing enough in several key areas of the world.

Mr. Pym, who has obviously been extremely alarmed by recent events in Southern Africa and the Middle East, called for a new strategic appraisal of the West's approach to the Middle East.

As it was, the West's position had been "suddenly and dramatically exposed." Clearly, the oil flow from that area was a vital Western interest which would have to be safeguarded.

The review, he said, should be carried out in co-operation with Britain's European partners and the U.S. But he warned bleakly that the results might not be very palatable to the West.

Mr. Pym—who seems to have

found very few glimmerings of hope on the world scene since taking over last autumn from Mr. John Davies—made it clear that he was far from happy with the approach by the British and American Govern-

ments in Southern Africa.

The area was of vital importance to the production of raw materials for the West. An unsuccessful outcome in Rhodesia, he said, could turn an already inflammable situation into one of complete anarchy and war" which could be exploited by the Russians.

Yet the policies of Britain and the West towards the Rhodesian crisis over the past 12 months had been "incomprehensible as they had been maladroit."

Neither was Mr. Pym satisfied with Western reaction to developments in China. Already, he said, there were signs that it had been motivated more by the "attractive prospects of economic benefit than by consideration of what is strategically prudent."

Mr. Pym said that the West had brought into question both the meaning and the value of the detente process. Detente meant nothing if Russia, while accepting the benefits of cooperating in Europe, was simultaneously undermining the West's position in Africa.

The underlying theme of Conservative foreign policy, he said, must be the safeguarding of Britain's freedom and that of the whole free world. As Mrs. Thatcher had said, defence was the "overriding duty" of any government.

Next week's agenda

COMMONS

Monday: Second readings of Local Government Grants (Ethnic Groups) Bill and of Local Government Finance Bill.

Tuesday: Debate on the operation of the Courts of Scotland. Opposed private business.

Wednesday: Remaining stages of the Industry Bill. Motions on the European Assembly Bill.

Thursday: Consolidated Fund Bill.

Friday: Private Members' motions.

Monday, March 19: Second reading of the Road Traffic (Seat Belts) Bill.

LODERS

Monday: British Railways (Selby) Bill, second reading. National Heritage Fund Bill, report. Hovercraft (Civil Liability) Order. European Communities (Definition of Treaties) Order.

Tuesday: Nurses, Midwives and Health Visitors Bill, committee. Shops (Sunday Trading) Bill, second reading. Short debate on M25.

Wednesday: Debate on standards in secondary education. Licensed Premises (Exclusion of Certain Persons) Bill, second reading.

Thursday: House of Commons (Redistribution of Seats) Bill, third reading. Carriage by Air and by Road Bill, third reading.

The world's most advanced subsea oil system comes on-stream.



Oil starts flowing from Brazil's Garoupa field.

The huge manifold centre shown here—100 feet long and weighing 1,550 long tons—is now at work 400 feet deep on the Atlantic sea bed floor some 160 miles east of Rio de Janeiro.

It's the heart of a Lockheed-designed system that allows Petrobras of Brazil to move oil ashore from its undersea Garoupa/Namorado field, two to three years faster than with conventional methods.

The first of the system's nine satellite wells is already connected to the manifold, and oil from the field is flowing. When all nine wells are on-stream the Garoupa/Namorado yield will be about 45,000 barrels daily.

The massive Garoupa manifold centre is monitored by television on its descent to its sea-bed work site.

Working in the depths.

The key to the system is a group of ten undersea work chambers, designed by Lockheed Petroleum Services: nine well head cellars and the manifold chamber.

Taken down in a capsule lowered from a Lockheed service ship, engineers and technicians enter those chambers and work as they would on dry land.

They handle all pipeline connections, service and maintenance in a dry, shirt-sleeves environment, uninhabited by diving suits or breathing apparatus.

Advancing the techniques.

The Petrobras installation is by far the most advanced subsea system in the world. Although the system concept was proved earlier in the Gulf of Mexico, Petrobras has employed it on a far larger and more advanced scale than anyone else.

This greater offshore efficiency means Brazilians will benefit from millions of barrels of oil much sooner than with conventional methods of completing the deep-sea Garoupa/Namorado wells.

When it comes to solving complex problems, Lockheed knows how.

Lockheed Petroleum Services



Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

• ELECTRONICS

Aid to speech for the handicapped

SPLINK is an artificial word for "Speech Link." It is the name of a new piece of electronic equipment to help bridge the communications gap between the speech-handicapped, the deaf—or those afflicted with both conditions—and their families and friends.

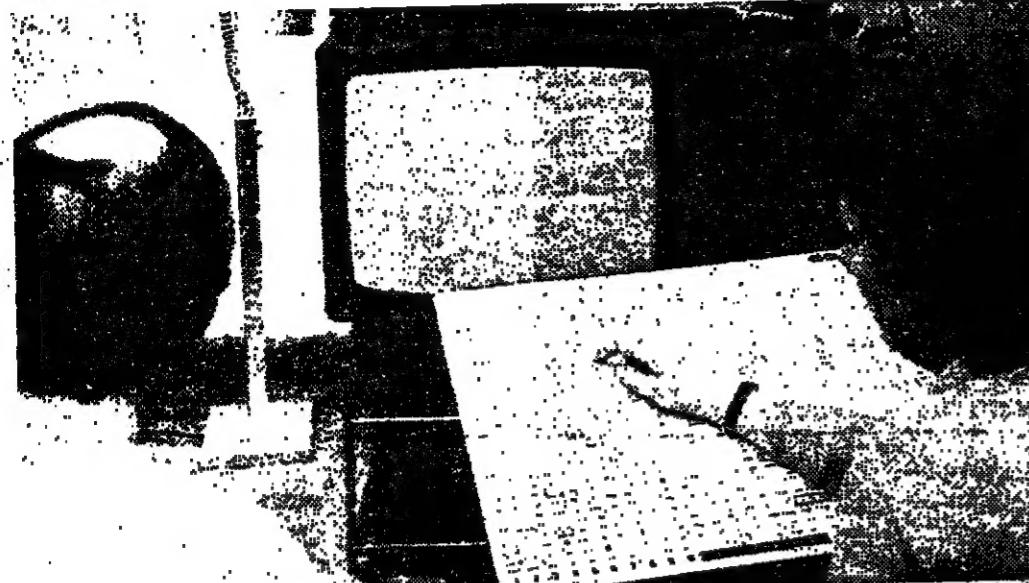
Activated by a microprocessor, it consists of a small keyboard alphabetically printed with the 950 words which, for practical purposes, form the vocabulary of everyday Basic English speech. These words have been selected following an intensive research exercise.

The user has merely to de-

press the keys carrying the required words and build them into sentences which immediately appear on an ordinary domestic television screen linked to the keyboard via the aerial socket.

Splink can transform the lives of those with speech and hearing problems and since nearly every home has a television set, part of the basic requirement is already to hand.

Invented by Dr. G. T. Hamilton, Splink has been developed with a view to commercial production by Medelec, which manufactures specialised electronic medical equipment—



Communication aid for the speech-handicapped and the deaf

Micros made to suit

TAILOR-MADE microprocessor-based monitoring, processing and control systems designed by Asmar Environmental Products, Unit 1, Dodnor Industrial Estate, Newport, Isle of Wight (0983 524383) are intended to make the introduction of computer technology into industry as effective and smooth as possible.

IMAC (industrial monitoring and control) can be applied throughout the marine, oil and general engineering industries for business or technical purposes and makes use of up to 0.5 megabytes of working memory together with 52m bytes of mass storage.

Depending on whether it is data recording, controlling or testing, the system can accept a variety of signal inputs from thermocouples, variable amplitude or frequency sources, encoders, resolvers and will per-

form any combination of data processing to produce a wide variety of outputs from printing to alarm initiation.

Each system, which has built-in ability to expand to cope with larger applications, is built to each user's specific requirements.

Precision weighing

YET ANOTHER application of the microprocessor makes it possible for an electronic weighing instrument to perform a large number of different functions while remaining simple to use by unskilled operators.

From Setpoint, the 4G120 can be used with all types of strain

gauge loadcells and has been designed for virtually any application where precision weighing is needed.

There are standard provisions

for push-button zeroing, zero tracking, tare recall, motion detection (the machine waits until the load is completely stationary) and gross/net operation.

The unit is equally at home linked to a commercial weighbridge or maintaining process control in a chemical plant.

The operational range is programmable, as are other parameters, by operating switches housed in a pull-out drawer.

Once the unit has checked that the programme is correct, the operator then has access to a measuring system, reading in grammes or tonnes, which is accurate to one part in 20,000.

Options include interfaces to CRT screens, computers and teletypewriters.

More from Ingate Place, London SW8 3NS (01-720 3961).

OPTIMISATION

which specialises in home and office electronic equipment, is launching two products in the industrial and domestic security markets.

Door Guard is a door alarm

that can be controlled to greet visitors with soft chimes, or deter intruders with a 96dB siren.

The device, about the size of a large pocket calculator, has a 12 digit keyboard. The correct three digit code must be punched on it to prevent the siren sounding, or silence it once it has started. A total of 2,730 combinations are available which the user can change at will.

It comes with an easy-to-mount weatherproof keyboard, an electric door latch that automatically relocks the door when closed, and a transformer for mains operation. Also included is a battery pack to allow the lock to work in the event of a blown fuse or mains failure.

Further details from Optimisation, 45 South Street, Bishops Stortford, Herts. SG9 5LZ.

Discourages the villains

sized keyboard that is mounted on the outside door frame—there are over 10,000 combinations to choose from, which can be changed whenever the user wants.

In applications where a conventional cryptosystem is already being used, the exchange of keys is generally the weak point. BSDES can then be used to encode these keys, and thus enhance the security of the whole transmission process.

Business Simulations, Scriven House, Speeldhurst, Kent TN3 0TU. 08288 3105.

SECURITY

Hides the key to the messages

BSDES of a conventional cryptosystem depends on the keys being kept secret; if either key is known, the other can be deduced and messages read (and forged) at will. Thus in a system where a number of relatively low-security installations transmit confidential information to a secure central installation the system as a whole is only as secure as its weakest point.

The user must be literate and able to call at least one hand into play. A dysphasic stroke sometimes interferes with the patient's ability to read and write—or at least to spell—and in these cases may render the system of limited use. That is why it would be wrong to raise the hopes of all deaf and speech-handicapped people.

Fifty sets now being assembled will be available for further experimentation in May and a commercial version for sale to the public will go into manufacture next autumn.

Ideally it should be available through the National Health Service. But if it is not, relatives and hospital "league of friends" will no doubt raise the necessary funds to enable deserving cases to enjoy its uses.

Medelec, Manor Way, Old Woking, Surrey GU22 9JU. Tel: (048 62) 70331.

and that only A himself can read it.

It can be used to provide electronic signatures for messages, so that the recipient of a message can verify that a message carries the sender's signature, but cannot alter the message without invalidating the signature, or construct a valid signature for a changed message. This is impossible with currently-used cryptosystems, but can be done economically with BSDES, without even requiring the message itself to be encoded. Such a signature generation and verification system could be installed on present-day word processors at very little expense.

Tapes containing confidential data could be encoded using a conventional system and a random key, and this key recorded on the tape itself (using BSDES) in such a way that the recipient alone can discover the key and read the tape. Only a few characters need to be encoded using BSDES, and any computer which can handle magnetic tapes can handle the necessary calculations. Electronic funds transfer is an example of an application where this could probably be done.

In applications where a conventional cryptosystem is

known so that everyone can read the message its send; but (since the encoding key is kept secret) it is impossible to forge messages. Both schemes can be combined, so that when A receives a message purporting to come from B, he can be sure that only B could have sent it.

Business Simulations, Scriven

House, Speeldhurst, Kent TN3 0TU. 08288 3105.

METALWORKING

Parts produced precisely

ONE OF the main roles for the latest machine tool to be produced by N.C. Engineering, the Microturn P25 turning centre, is the production of small batches of precision components from bar in diameter up to 25mm.

The machine is stated to achieve high turning accuracies by the use of a sliding bed stock and guide bush. A 10-station conical turret set at an angle above the work spindle accommodates the external and internal working tools.

The spindle speed range is from 200 to 7,000 rpm in 20 steps, change of speed being accomplished fully automatically. Spindle drive is by means of a 3.7 kW (5hp) dc motor.

N.C. Engineering is at 26 Benkin Road, Watford, Herts WD1 8NW (Watford 24386).

Company claims this to be the first specifically designed shear

for on-line operation at the high rolling speeds now common in modern rod mills.

It permits small diameter rods (5-13 mm) to be cut accurately and cleanly to size on-line at the end of the rolling operation, and thus eliminates the need for off-line cutting after manufacture.

Additional scrap chopping version is also available which minimises mill down time by ensuring that cobbles are rapidly and efficiently cleared.

All the nozzles incorporate non-drip diaphragm check valves and are set at 3 mm intervals.

"As an accountant, I'm often asked about computers. I usually advise people to have a word with Philips."



Most businesses agree that computers are today's answer to accounting and overhead problems. But unless you're something of an expert, most computers look the same.

That's why so many people talk to Philips first. As Europe's largest electronic company, Philips have a name for quality, reliability and value. With 3,000 computer users in Britain alone, they also have the experience to solve most problems quickly and inexpensively.

Philips computers are available from only £4,444 upwards. That's less than the cost of a clerk for a year. And with its complete range of software, Philips' computer is compiling the statistics vital for managing the business.

*Archie new, low prices, Philips computers pay for themselves time and again.

If you want to make the most of today's computers, talk to Philips first. You'll find we talk your language.

Computers that talk your language

The 2000 series mainframe computer, the 8000 series mini-computer, the 6000 series personal computer, the 4000 series graphics computer, the 3000 series data processing computer, the 2000 series data processing computer, the 1000 series data processing computer, the 500 series data processing computer, the 400 series data processing computer, the 300 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing computer, the 1000 series data processing computer, the 800 series data processing computer, the 600 series data processing computer, the 400 series data processing computer, the 200 series data processing computer, the 100 series data processing computer, the 50 series data processing computer, the 40 series data processing computer, the 30 series data processing computer, the 20 series data processing computer, the 10 series data processing computer, the 5 series data processing computer, the 4 series data processing computer, the 3 series data processing computer, the 2 series data processing computer, the 1 series data processing computer, the 0 series data processing

A SERIES OF INJECTIONS TO BOOST PERFORMANCE.

For those who wish to combine the superlative comfort of travelling in a Citroën CX with extra performance, Citroën offer a series of solutions.

Namely, the CX GTi, the CX Pallas Injection and the CX Prestige; three CX models all with Bosch L-jetronic fuel injection and electronic ignition. Each offers the kind of performance that could leave many a red-blooded sports car driver green with envy.

Matched to the electronic fuel injection is a wind cheating design that's only too willing to accommodate the extra performance. It also accounts for some pretty miserly fuel consumption. The CX GTi, for example, returns 34.9mpg at a constant 56mph (8.1 l/100km at 90km/h)*.

Those who grew up associating 'performance' with a bone-shaking ride and the deafening roar of an engine will find the CX comes as nothing short of a revelation.

A ride in the CX is remarkably smooth with Citroën's celebrated hydropneumatic suspension absorbing all the bumps and road shocks.

There isn't a more comfortable suspension

CX 2400 Pallas Injection (C-matic) Sunroof optional extra

CX Prestige Injection (C-matic)

system in any car at any price.

Aerodynamic styling makes the CX an exceptionally quiet car to drive at any speed.

Steering is Citroën's unique VariPower system. No other car's steering can match it.

When parking it's finger light, and power returns to a straight line position immediately the steering wheel is released. On the open road it grows progressively firmer with increasing speed.

The combination of VariPower steering and aerodynamic styling ensures that deviation from a straight line is negligible in the CX, even when driving on a motorway in strong cross winds.

A number of subtle variations differentiate the three injection models in the CX range, each of which has tinted windows, rear sunblinds, electronic ignition and electrically adjustable exterior mirror.

The GTi is all its name implies, with a close ratio five-speed gearbox, alloy wheels, matt black window surrounds, front and rear fog lamps and specially designed head restraints. (£7160.40.)

C-matic transmission is standard on the CX Pallas Injection, the most luxurious of the standard wheelbase CX models. (£7180.29.)

The Prestige is the ultimate CX. Longer wheelbase and body, wider rear doors, extra head and leg room. Air conditioning is standard. Probably the most lavish of all saloon cars available at its price. (£9590.49.)

It remains only for us to offer you a few parting words as we leave you to ponder the choice. Whichever of our injections you decide to take, you can rest assured it will make you feel a lot better.

CX 2400 GTi Injection (5 speed)

A selection of the 16 models in the CX range			
Model	BHP	Top Speed	Price
CX 2000	102	109mph	£5097.69
CX 2000 Super	102	109mph	£5336.57
CX 2400 Super (5 speed)	115	112mph	£5965.83
CX 2500 Diesel Super (5 speed)	75	97mph	£6198.66
CX 2400 Pallas (5 speed)	115	112mph	£6566.04
CX 2400 Pallas (C-matic)	115	111mph	£6754.41
CX 2400 Pallas Injection (C-matic)	128	112mph	£7180.29
CX 2400 GTi Injection (5 speed)	128	118mph	£7160.40
CX 2400 Safari Estate	115	108mph	£6128.46
CX 2500 Diesel Safari Estate	75	90mph	£6480.63
CX 2400 Familiale	115	108mph	£6240.78
CX Prestige Injection (C-matic)	128	112mph	£9590.49

CITROËN CX.

CITROËN CX

SIMULATED URBAN DRIVING 18.6 MPG (0.2 L/100 KM) CONSTANT SPEED DRIVING 75 MPH (0.20 KM/H) 28 MPG (0.3 L/100 KM). ALL CX MODELS HAVE RECOMMENDED 10,000 MILES SERVICE INTERVALS. 1 YEAR UNLIMITED MILEAGE GUARANTEE. SUSPENSION GUARANTEED FOR 2 YEARS. MAX 60,000 MILES. PRICES INCLUDE CAR TAX VAT AND SEAT BELTS BUT EXCLUDE DELIVERY CHARGE £750 (INC. VAT) AND NUMBER PLATES. PRICES CORRECT AT TIME OF GOING TO PRESS. ENQUIRE ABOUT OUR PERSONAL EXPORT HM FORCES AND DIPLOMATIC SCHEMES AND PREFERENTIAL FINANCE SCHEME. CHECK YELLOW PAGES FOR NAME AND ADDRESS OF NEAREST DEALER. CITROËN CARS LTD., MILL STREET, SLOUGH SL2 5DE. TEL. SLOUGH 23808.

FINANCIAL TIMES SURVEY

Friday March 9 1979

مکان امن اگرچہ

Doubts about going it alone

BERMUDA HAS about the same population — 57,000 — as Cheltenham. It even wears a faintly similar air of genteel prosperity. Unlike the English town, though, there is a distinct possibility that Bermuda may become independent from Britain, sometime in the 1980s.

Even those made slightly queasy by the prospect, that is, a few of the island's substantial business community and many British expatriates, regard the move as likely. The opposition Progressive Labour Party has long favoured independence, though with increasing caveats that it should be carefully prepared. While Premier David Gibbons, whose ruling United Bermuda Party sits on the fence on this issue, concedes that independence is "probably inevitable".

But Mr. Gibbons firmly cautions against any conclusions that a majority of Bermudans actually support separation from Britain at the moment. Indeed, he cites a recent poll by his party, canvassing 16,000 of the 26,000 electorate, that showed two-thirds against independence, and not only in White constituencies but also in largely black, pro-PLP areas too. Any number of factors could change this, he says, including, for example, the possible adoption by Britain of a European Community passport. A British passport weighs heavily with Bermudians, who are almost perfect travellers from their beautiful rocky outcrop in mid-Atlantic.

Most Bermudians, black as well as white, probably do not want the trappings of sovereignty if that hits their pockets hard. They feel and are pretty independent from Britain as they are. The majority seem contentedly set in their ways—more than half own their own houses—and want to retain their present

prosperity which, at an average of Bd\$7,500 per head, is just behind some Arab Gulf states and ahead of Britain and the U.S.

On the other hand, a 1977 government estimate put the possible cost of independence, which might involve overseas representation in a few selected capitals, at \$1.19m. Even allowing for inflation, this is by no means out of reach for a country with a consistent balance of payments surplus, a budget presently in balance, and a gross domestic product last year of \$505m.

It was also the view of a Royal Commission—composed in majority of Bermudans and which reported last year on the December 1977 riots—that "only with independence can national unity be forged and pride in being Bermudan fully develop."

Given this ambivalence about possible independence, why the apparently growing sentiment that it is inevitable? The first reason seems to be that other micro-states are going independently, so Bermuda presumably will follow suit. The Seychelles (smaller than Bermuda) has, and so have St. Lucia and Dominica (larger, but poorer).

The second reason concerns the attitude of the British Government, which made it clear in the wake of the 1977 disturbances that it wants to avoid the political embarrassment of having to send troops to the



Hamilton, capital of Bermuda

island again to deal with its internal security problems.

This does not mean Britain is abandoning its responsibility for the island. A British governor, Sir Peter Ramsbotham, is still responsible for external and internal security, and since 1977, the police and Bermuda's part-time army regiment, which come under him, have been strengthened. Nor is there any

change in London's policy that which it must carry ultimate tones broke out, and though many Bermudians claim the whole affair was grossly exaggerated in the international Press, it was felt necessary to call in British troops. In the event, order had been restored by the time they arrived.

But the unhappy events of December 1977 have borne upon a number of Bermudians the impression that Britain is not entirely happy with the present half-way house relationship. In

which it must carry ultimate responsibility for Bermuda without having immediate power there. What happened was that two Blacks were convicted of murder (one of them in 1973), and were executed, because although Britain has abolished the death penalty, Bermuda has not. Demonstrations with strong racial over-

of the rioting. It was little surprised that Bermuda's normal tranquility was occasionally shattered, in 1977 and a couple of times in the 1960s, because, it said, the island's political system was run largely by Whites and was often unresponsive to Blacks.

It is true that the conservative United Bermuda Party, which has held power since Bermuda had its first representative self-government in the 1960s, is largely seen as a White party. But about half its Cabinet posts are filled by Blacks (it has fielded a Black premier in this decade), and has consistently won about a quarter of the Black vote. To win, it has had to do so in a country that is more than half Black.

The mildly Left-wing PLP is almost exclusively Black, containing only one White representative among its 15 members in the 40-seat House of Assembly, and so far gaining only a handful of White votes at the polls. The PLP leadership claims this is not because it espouses racially-based policies, but because it champions the relative have-nots in Bermudian society, who usually happen to Black, and because the generally conservative and business-minded Bermudian White is not susceptible to its policy platform.

A Royal Commission, chaired by a Black British politician, Lord Pitt, was set up to investigate the broader causes

remarkable degree of integration, if not in its political system entirely, then certainly in its society at large. Mr. Gibbons says he agrees with the Pitt Commission's conclusion, published in mid-1978, that there was still "explosive material in Bermuda's social structure," but that his government's policies have gone far to dissipate the gunpowder. The two top policy priorities—which the Pitt Commission highlighted—are housing and education, and Mr. Gibbons says he intends to give himself the maximum chance of achieving progress in these two fields by not holding elections until the last possible moment, early summer 1981. His 1979-80 budget, announced last month, while increasing some indirect taxes, also in the name of social justice included concessions to pensioners and small business—a clear step towards the middle ground in Bermudian politics.

Partly at the inspiration of the Pitt Commission, a constitutional conference was held last month—chaired by the governor with the two parties present—on several issues of electoral reform. The results look like at least alleviating the PLP's grievances that the present system is weighted against it on two counts. First, it has complained that the boundaries of Bermuda's two-member constituencies are so arranged as to give the United Bermuda Party an unfair advantage in seats. This was not resolved, but it was agreed that alternative voting systems, including proportional representation, should be decided in the next election, apparently taking the political heat out of this divisive issue for the next year or so.

The PLP has also felt that the present system by which expatriates are given a vote after three years' residence was unfair, because though comprising only 8 per cent of the electorate, they are mostly White and so presumed to give their votes to the UBP. The PLP wants the expatriate vote withdrawn. The UBP, conscious of the slur that its hold on power hangs on non-Bermudian votes, offered to extend the residence qualification to seven years. Though no agreement was struck last month, both parties have agreed to abide by a compromise ruling that British Ministers are due to make in the next month or so.

Why Marsh & McLennan has been chosen to manage over 80 insurance companies.

As the world's leading insurance brokers, Marsh & McLennan has taken a major role in developing and managing insurance subsidiaries for major multi-national companies. Currently, we manage more than 80, 75% of them through Marsh & McLennan (Bermuda) Ltd. A favorable regulatory climate, combined with excellent banking and legal services and communications, has made Bermuda the world's leading domicile for insurance subsidiaries.

Insurance subsidiaries can offer parent companies many important advantages, including:

- Recapture of premiums in excess of predictable losses.
- Control over claims reserves.
- Increased cash flow.
- Direct access to professional reinsurance markets.
- Control and participation with underwriters in worldwide consolidated insurance programs.
- Insurance of unusual or "uninsurable" exposures.
- Selective purchase of services.

Also, Marsh & McLennan (Bermuda) Ltd. can furnish all the services needed to create and manage insurance and reinsurance subsidiaries.

Among them are:

Corporate Services

- Advise and assist in the incorporation procedure to the point where the company becomes operational.
- Organize annual Shareholders' meetings and periodic Directors' meetings.
- Maintain liaison with local legal representation, Registrar of Companies, Controller of Currency and Minister of Finance.

Underwriting Services

- Review proposed risks to be insured.
- Negotiate reinsurance cessions and acceptances.
- Prepare and issue binders and cover notes.
- Prepare and issue policies and reinsurance agreements.
- Arrange premium collection.
- Calculate year-end premium adjustments.
- Subcontract actuarial services.

Claims Services

- Review all claims and, where appropriate, settle or arrange for adjustment.
- Negotiate with adjusters or reinsureds to develop appropriate loss reserves and reserves for Incurred But Not Reported Losses.

Collect reinsurance, salvage and subrogation recoveries.

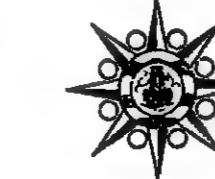
Pay claims and claim expenses.

Accounting Services

- Handle computerized processing of underwriting and claims statistics.
- Establish complete set of accounting records and ledgers.
- Maintain liaison with banks to ensure prompt movement of funds.
- Prepare daily ledger entries of all insurance and banking transactions.
- Carry out investment programs.
- Submit periodic financial reports to each client.
- Arrange for annual audit by Public Accountants.

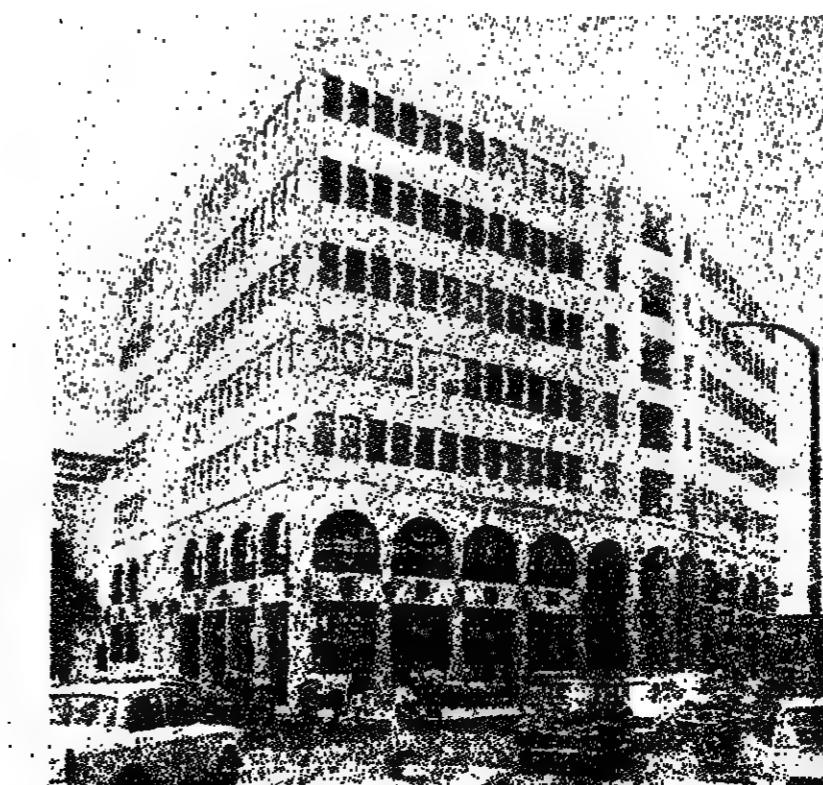
For further information contact: Mr. David B. Vaughan, Marsh & McLennan (Bermuda) Ltd., P.O. Box 1262, Hamilton 5, Bermuda. Telephone: 809/295-3278.

When it comes to insurance, come to the leader.



The Bank of Bermuda Limited offers a full range of corporate and personal international banking services including specialised Trust, Investment Management and Euro-Currency facilities.

Professional staff located in Guernsey, London and Hong Kong extend the geographical range of international services to Europe and the Far East.



The Bank of Bermuda Limited

HEAD OFFICE HAMILTON 5-31 BERMUDA

TEL: 809 (29) 5-4000 TELEX: BA 3212

B. of B. (Europe) Limited

Grocers' Hall

Princes Street

London EC2R 8AQ

Tel.: (01) 600 0606 Telex: 8812873

The Bank of Bermuda (Guernsey) Limited
31/33 Le Pollet
St. Peter Port
Guernsey
Channel Islands
Tel.: (0481) 26268. Telex: 4191502

Bermuda Trust (Far East) Limited and
Bermuda Finance (Far East) Limited
1011 Hutchison House
Harcourt Road
Hong Kong
Tel.: 5-265041. Telex: 86017 BETRY HX

Marsh &
McLennan

Why just go to Europe when £276* could take you so much further?



Bermuda. Out on its own.

Bermuda is like another world. A peaceful, unhurried world amidst a warm, clear-blue sea; bordered by beaches of soft, coral-pink sand and bathed in sub-tropical sunshine.

Yet it's a mere 7 hours from London, with a direct flight every afternoon. And you could spend two glorious weeks holiday there for as little as £276*.

That includes air fares; room with private bath and breakfast in a guest house; taxes, service charges, and transfers to and from the airport.

For details, post the coupon to Bermuda Department of Tourism, 9-10 Savile Row, London W1X 2BL. Tel: 01-734 8813/4.

Name _____
Address _____

*Prices correct at time of going to press.

F.T.L.

BERMUDA'S BANKS are small in number (four), but large in assets. The biggest, the Bank of Bermuda, became the country's first billion dollar asset bank at the end of 1978, while earlier last year the island's oldest, the Bank of N. T. Butterfield, reported assets of \$857m, and Bermuda Provident bank (part owned by Barclays) \$121m, and Bermuda National (40 per cent owned by the bank of Nova Scotia) \$152m. And in so small a country, the number is likely to stay at four; to request some years ago to the Government by Citibank to set up a retail banking operation on the island was turned down partly because five was considered a crowd.

But partly due to criticism (voiced by the Pitt Commission, but quite convincingly refuted by the banks since) that small businesses, which tend to be black owned or run, found it hard to get loans, the existing quartet is likely to be shortly joined by a hybrid creation, the Small Business Development Corporation. Based on a study of the problem by International Monetary Fund experts, the corporation, funded half by Government and half by the private banks to the total tune of B\$500,000, would guarantee loans to small businesses.

Technical advisers to the SBDC will be the Bermudian Monetary Authority, which is staffed by seconded Bank of England officials and acts as Bermuda's embryonic central bank—a parallel which, however, overstates the reality of a very informal relationship between the authority and the commercial banks.

Foreign currency deposited abroad from all sources within Bermuda, the overwhelming share obviously from the "exempt" companies, totalled a pretty staggering \$4bn by the end of 1977—three quarters of it direct by the companies to foreign banks. The quarter, or \$1bn, that is placed abroad through the Bermudian banks is what has so swollen the local banks' balance sheets. At the same time, the four local banks' capital is of necessity limited because in line with the law they must be 30 per cent Bermudian-owned; in fact, the big two, Bank of Bermuda and Butterfield's are more than 75 per cent locally owned.

While it might appear at first glance that the banks are thus undercapitalised, or even over-trading... Mr. John Keith, formerly a senior NatWest man,

designed as a political measure by the Government, by adding certain once and for all service charges to their loans. Naturally many depositors can get much more abroad on their money than 7 per cent. But one of the few controls in Bermuda's liberal foreign exchange regime is the overseas investment tax paid on the \$25,000 a year that each Bermudian is allowed to take out of the country. This helps to equalise the interest differential between Bermuda and the outside world. Last month (February) Mr. Gibbons, presenting his 1978-80 budget, announced a doubling in the rate from 5 to 10 per cent, mainly to raise more revenue, but also to "discourage the flow of funds abroad at times of high international interest rates".

Although there has been no perceptible domestic capital flight from the island.

Money has in fact poured into the island through the international companies, but only to go out again with deposit with international banks abroad. The "exempt" companies are prevented from putting their cash into the local economy—not indeed would they want to at 7 per cent. Only very occasionally, with the express permission of the Monetary Authority which wants to prevent the roaring inflation that such a wholesale influx would bring, is an international company deposit used in the local economy, for instance as a bridging loan.

Foreign currency deposited abroad from all sources within Bermuda, the overwhelming share obviously from the "exempt" companies, totalled a pretty staggering \$4bn by the end of 1977—three quarters of it direct by the companies to foreign banks. The quarter, or \$1bn, that is placed abroad through the Bermudian banks is what has so swollen the local banks' balance sheets. At the same time, the four local banks' capital is of necessity limited because in line with the law they must be 30 per cent Bermudian-owned; in fact, the big two, Bank of Bermuda and Butterfield's are more than 75 per cent locally owned.

While it might appear at first glance that the banks are thus undercapitalised, or even over-trading... Mr. John Keith, formerly a senior NatWest man,

and now Butterfield's general manager, explains that liabilities are very carefully controlled by matching loans abroad "back to back" with deposits.

For a variety of reasons, the "exempt" companies use the Bermudian banks as well as their Wall Street and Threadneedle Street friends. Mr. Butterfield recently explained, "one such reason is to locate their legal and sovereign risks in the country of incorporation. For example, Bermuda banks are not exposed to direct foreign governments or judicial pressure for disclosure or arrestment of funds."

But the very fact that the lion's share of the "exempt" or international company deposits goes straight to foreign bankers anyway is a prime argument used by the Front Street local banks against letting in the big international banks to do offshore business from Bermuda. A controversial recommendation of a recent report by a Canadian consultant, Mr. Simon Reisman, was that given a possible fall or plateau in the fortunes of the local tourist industry, one possible new engine of growth might be offshore banking. Mr. Reisman tempered his recommendation with suggestions that only a select band of eight "blue ribbon" (sic) multinational banks be allowed in, with stipulations that they trade in sums large enough not to compete too directly with the



local banks and that they employ a given number of Bermudians, not just a telex machine and a secretary. But the local banks countered vociferously by saying that the recommendation would nearly kill them, would lead inevitably to a great reduction in the retail services they now offer the island's inhabitants, without doing the economy any lasting good and certainly without providing any comparable recommendation, in its realisation, any comparable employment substitute for tourism.

For the moment the controversy has been shelved, with the Government backing off its initial welcome for the Reisman authority presently has at its disposal.

Economic ties with the U.S.

BERMUDA IS almost as tied to the U.S. economy as Hawaii or, indeed, Martha's Vineyard.

The U.S. dollar circulates freely on the island alongside the Bermudian dollar, while 90 per cent of Bermuda's tourists, —the island's source of "bread and butter"—half from America.

A good half of the Island's imports come from the U.S., and a considerably higher proportion of what Bermuda buys from abroad is invoiced in American currency.

It is therefore with misgivings that Bermudian politicians read about the widely-predicted downturn in the U.S. economy this year.

"We will undoubtedly need to work hard to safeguard and consolidate our present high standard of living," warned Premier David Gibbons in his February budget speech.

Nevertheless, the island weathered remarkably well, the doldrums that followed on the squalor of the December 1977 disturbances. The drop in tourist revenue in the first half of 1978 was largely clawed back in the second half, with the margin made, by growth in the international company sector, and the partly-related boom in the building industry.

The Bermudian Government's reckoning is that gross domestic product rose 2 per cent in real terms (3 per cent without taking inflation into account) in 1978-79 to reach \$505m.

Bermuda also continued to run its small (in the tens of millions of dollars), but happily chronic, balance of payments surplus, with the slack in tourism earnings again taken up by inflows from the international companies established on the island, but last year there were less than 5,000.

The Government intention is to bring that number even lower through a stepped-up education effort, aimed specifically at attracting more Bermudians into several important sectors: hotels, restaurants, and international business.

A new department of hotel technology is planned for the Bermuda College (the island's sole repository of technical training), and even in the past two years the number of non-Bermudians in the hotel sector has decreased by a third.

But also everyone agrees that the tourist industry is close to saturation point; with any further expansion (beyond the modest 10 per cent increase in hotel beds planned by the Government over the next five years) Bermuda would run out of space and services. Nor do many Bermudians, welcoming though they are to tourists, want to be in Mr. Wade's words "just a nation of waiters and taxi-drivers."

The Government plans to teach more Bermudians how to punch telexes, keep books and manage offices so that islanders can find more jobs with international companies. But the opportunities are somewhat limited by the fact that these companies will still need to draw on their overseas parent organisations for specialist skills.

Bermuda does have taxes on land, employment and inheritance, and although statistics are woefully lacking, there do not seem to be enormous disparities between incomes (as opposed to accumulated wealth).

Mr. Gibbons' new budget is a pitch for the middle ground.

In this he was undoubtedly spurred by the troubles in 1977 and lured by the hope of winning over the PLP's political thunder in time for the next general election. Taxes went up on alcohol, tobacco, car licences, and on inheritances, while those for pensioners and small businesses went down. Thus, while

public spending was not greatly increased, Mr. Gibbons could claim an emphasis on social justice in his new budget.

The 1978-80 budget forecast is for a tiny surplus, compared to a \$2.8m shortfall the previous year. But at the same time, the Premier indicated that his Government's cautiously conservative policy of financing even capital spending out of current revenues might end (with possible long-term borrowing to fund long-term housing projects).

For the future, moderate growth appears to be the watchword—a policy that meets with broad agreement from both sides of the political fence.

The UBP Government now strictly controls immigration, and one might suppose that a PLP government would be even more stringent. Companies can only advertise vacancies abroad, if they have first canvassed the local job market and failed to find suitable candidates there.

The result is that no manual workers are allowed in, although scarce supplies of secretarial and clerical staff are still supplemented from abroad. At the start of the 1970s there were some 10,000 "foreigners" or work permit-holders on the island, but last year there were less than 5,000.

The Government intention is to bring that number even lower through a stepped-up education effort, aimed specifically at attracting more Bermudians into several important sectors: hotels, restaurants, and international business.

A new department of hotel technology is planned for the Bermuda College (the island's sole repository of technical training), and even in the past two years the number of non-Bermudians in the hotel sector has decreased by a third.

But also everyone agrees that the tourist industry is close to saturation point; with any further expansion (beyond the modest 10 per cent increase in hotel beds planned by the Government over the next five years) Bermuda would run out of space and services. Nor do many Bermudians, welcoming though they are to tourists, want to be in Mr. Wade's words "just a nation of waiters and taxi-drivers."

The Government plans to teach more Bermudians how to punch telexes, keep books and manage offices so that islanders can find more jobs with international companies. But the opportunities are somewhat limited by the fact that these companies will still need to draw on their overseas parent organisations for specialist skills.

Bermuda does have taxes on land, employment and inheritance, and although statistics are woefully lacking, there do not seem to be enormous disparities between incomes (as opposed to accumulated wealth).

Mr. Gibbons' new budget is a pitch for the middle ground.

In this he was undoubtedly spurred by the troubles in 1977 and lured by the hope of winning over the PLP's political thunder in time for the next general election. Taxes went up on alcohol, tobacco, car licences, and on inheritances, while those for pensioners and small businesses went down. Thus, while

Substantive corporate management services specializing in marine transportation for foreign controlled businesses wishing to establish an identifiable presence in Bermuda.

Operations Chartering Vessel Dispatch International Communications
Administration Freight Claims Analysis Demurrage Preparation Charter Party Performance
Accounting Invoicing Disbursements Letters of credit Cash Flow Management

Please address enquiries to:
Captain A.M. Sinclair

Bermuda Marine Group Ltd

Gibbons Building Queen & Reid Streets Hamilton 5-31 Bermuda Telephone: 809-255-0659

INSURANCE AND REINSURANCE WORLDWIDE
AFFILIATED OFFICES IN 130 COUNTRIES



AMERICAN INTERNATIONAL REINSURANCE COMPANY LTD.
AMERICAN INTERNATIONAL BUILDING
P.O. BOX NO. 152 HAMILTON 5, BERMUDA
TELEPHONE: 2-8121
TELEX: AMINTLBDA-BA 313
CABLES: AIRCOGEN

Asset Preservation

Inflation is destroying the future purchasing power of your money. Preservation should be your watchword. We have an answer—investment for part of your portfolio in hard, tangible assets that have withstood the tests of time. We can show you how and why. Contact:

TROY INTERNATIONAL INVESTMENTS

The Boyle Building
P.O. Box 1696
Hamilton 5, Bermuda
Tel: (809-29) 5-2137
Telex: 3359 Troy BA
Cable: TroyBermuda

Bermuda Provident Bank Limited

Barclays International Building
Church Street, Hamilton 5-24, Bermuda

Affiliated to  BARCLAYS International

Offering comprehensive commercial and international banking services including Euro-currency operations.

Our subsidiary, International Trust Company of Bermuda, provides personal and corporate trust services, corporate management and secretarial services.

IN LONDON

Contact:

Barclays Bank International
Caribbean & Latin American Division
54 Lombard Street
London EC3P 3AH

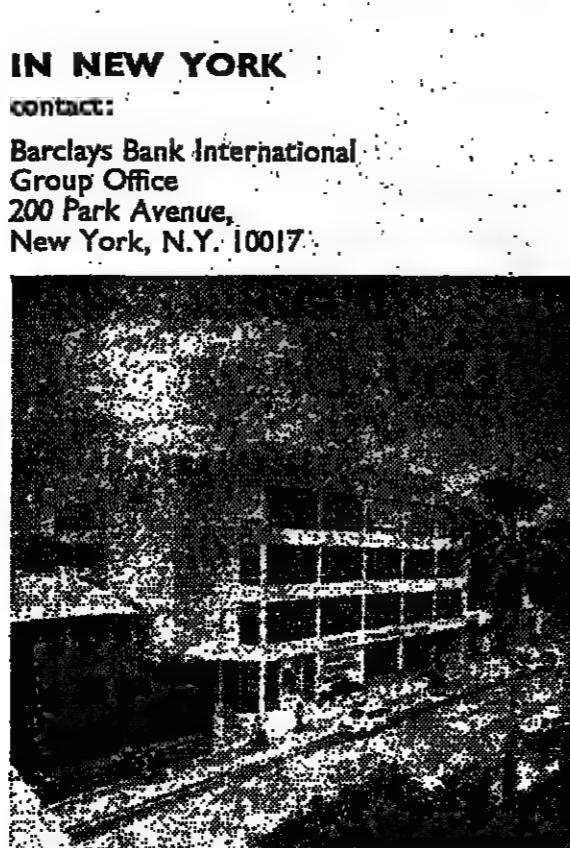
ELSEWHERE

Contact:

Any office of the
Barclays Group of Banks

Postal Address
P.O. Box 1748, Hamilton 5

Cables: PROVBANK
Telex: 3366 PROBK-BA
Telephone: (809-29) 55678



الجنيه

BERMUDA III

A boom in insurance

INSURANCE PREMIUMS handled by Bermuda companies will exceed those generated by Lloyd's of London this year or next, Mr. David Gibbons, the Island's Premier, confidently predicts on the basis of the way events are going in this booming sector. Insurance, of all kinds, certainly has provided the leading edge to the growth in international company business.

Bermuda now has about 450 insurance companies, up from just under 700 at the start of 1978. They earn at least \$300m in net income it is estimated by Mr. Brian Hall, president of the newly formed Bermuda Association of Insurance Managers, on the nearly \$2.4bn in gross premiums passing through their hands. Clearly, somewhere in the wide ocean between the big London and New York markets there is now a new insurance force to be reckoned with.

Like Bermuda's other international companies in other spheres of business, the insurance companies are "exempted" from any Bermudian ownership and tax requirements provided they conduct their business off the Island's shores.

The discreet brotherhood that runs the Bermudian insurance network rails against the popular notion of Bermuda as the home of the "captive" company—the wholly-owned subsidiary whose sole business is to insure the risks of its, say, American, Canadian or British parent. They argue that this impression quite distorts the present picture in which most of the Island's companies have widely diversified businesses and gives the wrong idea that the companies are there primarily for tax reasons.

Nevertheless, it is with the "captives" that the story starts. The "captive" concept is basically a development of the trend to diversify their business was the

Growing overseas interests

THE NUMBER of international companies registered "to do business outside Bermuda from a principal place of residence in Bermuda," as the Jargon has it, have proliferated like amoebae in recent years: from about 2,500 in 1973 to about 4,500 now.

This sector, which spans almost everything imaginable, but chiefly insurance, shipping, oil-related industries, investment and trading activities, contributes in excess of \$50m a year to the local economy—directly in the form of registration fees and indirectly in the amount of services they buy from banks, lawyers and accountants.

These last three professions have grown on the back of the international sector. Greatly to their benefit, the four banks (discussed elsewhere in this survey) have raked in deposits from the international companies. Two large law firms—Conyers Dill and Pearman, and Appleby Spurley and Kemp—have shared a virtual duopoly on legal work for the international companies, but conscious that the "cake" of available work just keeps growing, have been holding seminars recently to explain the whys and wherefores of international commercial work to their smaller legal brethren in Bermuda.

The Bermuda Institute of Chartered Accountants has about 200 members, many of them representing or affiliated to the big international audit firms, and for post-war historical reasons, is a full member of the Canadian Accountants Institute, which Bermuda treated for this purpose just as if it were a province of Canada. In Bermuda's close-knit society, one finds that these professions tightly interlock, all sitting on each other's boards, in a way that might be frowned on in a larger country, but is probably necessary given the relative shortage of qualified personnel on small island.

By international companies is meant those "exempted" from the ownership law requiring domestic companies to be 60 per cent held in Bermudian hands, and from any local taxes. Currently this tax exemption extends to the year 2006. Of course, the companies still have to pay Bda\$1,500 registration fee.

Nothing jars on the Bermudian business community so much as an outsider referring to their island as a tax haven. Though stopping well short of keelhauling the offender for this solecism, the Chamber of Commerce and Bermuda International Business Association insist that Bermuda never set out to be a tax haven, but simply for historical reasons (so far) has never had an income tax.

Clearly, Bermuda has its tax advantages and disadvantages. But directors of the international companies stress that though tax issues may have brought some of them to the island in the first place, it is now rarely the chief consideration that keeps

them there. For one thing, tax rules elsewhere have been tightened: in the U.S. with the 1976 Tax Reform Act; and in Britain with the introduction of Capital Transfer Tax and, of course, the contraction of the sterling area in 1972 to exclude Bermuda and other outlying British dependencies.

Dubious operations, it is emphasized, would be much better in the Bahamas or the Caymans to the south where, for example, companies are rarely obliged to disclose who owns them. While in Bermuda, permission is needed under the exchange controls administered by the Monetary Authority for any transfer of shares in a Bermudian registered "exempted" company. The aim is to ensure that a new company, however respectable it may have seemed to pass Bermuda's tight vetting system on new registrations is not just a "front" for less desirable elements.

Nervous

The international business community tends to be nervous about its rising profile on so small an island—and the criticism made of that from time to time. They feel reassured by the continued presence of Mr. Gibbons' UEB party in power, but are a little wary of the prospect of the opposition PLP party winning a general election. Independence is another issue that causes disquiet in a few quarters, particularly among some U.S. parent companies (of Bermudian subsidiaries) which have so often had their fingers burnt in newly independent states.

But the companies themselves feel they have no reason to be coy about the benefits they bring to the local economy.

The fact that only about 150 companies—many of which, of course, manage other companies—employ people on the island, is held to be a positive factor given the country's limited supply of labour.

True, many of Bermuda's 5,000 expatriates or work permit holders, a section of the population that has been the subject of some local political controversy, work in the international company sector. But the companies are also being increasingly Bermudianised—employing at the last count 852 Bermudians in jobs both higher paying and more skilled than anything in the hotel and restaurant trade.

The companies also say they are sending more and more "career" Bermudians to parent companies for further training and experience. Anxious to feel that they are not just on the island on sufferance, the companies have also begun to chip in with scholarships to send Bermudian students abroad for higher education.

Nor are all the companies that small. American International Reinsurance, admittedly just about the oldest and biggest, employs more than 150 people. A recent real estate survey done by the international

1977 ruling by the U.S. Internal Revenue Service that premiums were tax deductible only if paid to bona fide insurance companies and that meant those that took on a significant proportion of outside risks. But, as Mr. Hall points out, this only accelerated an existing trend of the older established captives to use their accumulated reserves and underwriting capacity to branch out into third-party business and conventional reinsurance.

Developments

They began therefore to break back into the onshore markets, meeting for instance the Lloyd's requirement that a company must have \$5m in paid-up capital to participate in one of its pools. The Bermudian companies have begun to join forces to get into the U.S. and U.K. markets, and also very heavily to enter the reinsurance field, an area ideally suited to them and which, on a rough estimate, now accounts for about 75 per cent of the Island's business.

Primary insurance, the writing of policies, often demands a lot of staff and administration, and this is still left mainly to the onshore companies, while reinsurance usually requires a few experts, telex and telephone, and the relatively sparse administrative back-up that Bermuda can easily provide.

The growth in the past two years or so has been liability risk cover both for products and for people, the bulk of it stemming from the U.S. Only corporations used to be able to take out this sort of insurance, but Bermudian companies increasingly have been set up to provide this cover for professional or trade associations, such as those grouping bankers, hospitals (curiously requests by associations of American doctors to form companies was turned

down), car rental companies, step ladder manufacturers, paint and varnish makers and, a recent and glamorous arrival, the U.S. National Basketball Association.

Obviously, many of these new arrivals have little more direct physical representation in Bermuda than space in someone else's filing cabinet (though under the Island's company law

they must have resident directors), and increasingly management companies have been set up to direct their business.

The oldest of these is International Risk Management. The second oldest is Mr. Hall's International Ocean Management which, with a mere 42 employees and a computer, manages a clutch of some 98 insurance companies, owned by North American, British, European, and Japanese interests spanning such activities as oil, manufacturing, exploration, construction, shipping and aircraft.

Though these Bermudian companies which Mr. Hall and his firm manage are wholly owned subsidiaries, many have since escaped their parents' tutelage in that they now write a sizeable degree of outside business.

"You have failures in the insurance industry even in those countries in which it is heavily regulated," says one Bermudian insurer. That Bermuda has only had one recent failure, the British-owned Mid-Atlantic reinsurance company, is the result of careful writing by the Registrar of Companies of applicant companies. In this he is strongly supported by the resident Bermudian industry itself, keen to guard its reputation by welcoming only new "sift-edged" companies with impeccable relatives."

Nevertheless, the local Bermudian industry came to realise that its burgeoning growth made some more formal means of regulation essential, and, largely at its behest, the Government drew up and passed the 1978 Insurance Act. Mr. Burgess, who is a considerable fan of the cost efficiencies of "captive" and offshore insurance, says the main purpose of Bermuda's new insurance regulations, which will come into effect later this year, is to ensure the solvency of the companies on the Island. The guidelines set by the Registrar under the Act say that companies should not be writing business on which the premiums income is more than five times their capital and surplus together.

Two features unique to Bermuda in the insurance industry, says Mr. David Lines, a Bermudian accountant prominent in the drawing up of the new legislation, are the relatively slender paperwork that companies must submit to the Registrar and the role of the industry advisory committee in relation to the Finance Minister in dealing with any offenders under the Act.

Essentially, the Act involves a characteristically Bermudian form of self-policing, with any defaulting insurers being judged by their peers. Though the new Insurance Act is aimed primarily at ensuring the solvency of companies, it does not stipulate as legislation in many other countries does, specifically what insurers must invest in.

Insurance companies obviously must be able to realise assets to meet claims. But it would be imprudent of the government of Bermuda to tell companies to invest in the mid-Atlantic," Mr. Lines says. The Act requires only that a certain proportion of liabilities must be funded in a broad class of fairly liquid assets.

INSURANCE MANAGERS LIMITED

DORCHESTER HOUSE P.O. BOX 2020 CHURCH STREET, HAMILTON 5, BERMUDA

TEL: (809-29) 5-0265

TELEX: 3311 INMAN BA

Subsidiary insurance companies are increasing in importance as risk management and insurance vehicles for certain companies. Many industry-wide problems often lend themselves to the use of wholly or jointly owned insurance companies.

Insurance Managers Limited, based in Bermuda for ten years and more recently in Guernsey, Channel Islands, provides insurance management and advisory services for client companies. The Company has a qualified staff of insurance, financial and administrative personnel, necessary to service this rapidly expanding area of international business.

Insurance Managers Limited forms part of Reed Stenhouse Companies Limited, a large international group with 153 offices worldwide.

REED STENHOUSE

COMPANIES LIMITED

INSURANCE AND REINSURANCE BROKERS AND RISK MANAGERS
Australia-Belgium-Bermuda-Canada-Fiji-France-Hong Kong
New Zealand-Philippines-Republic of Ireland-Rhodesia-Singapore
South Africa-Sweden-Switzerland-Thailand-United Arab Emirates
United Kingdom-United States of America

Bermuda's first Bank for international business

The Bank's origins date to the early 1800's when the Butlerfield family provided a

number of services for Bermudians in their

overseas trade. In 1858 full

time banking was established

and in 1904 the Bank was in-

corporated by a number of

local merchants. Today over

350 employees in Bermuda

work in the Bank's Hamilton

Head Office and branches

with links all over the world

through its extensive net-

work of Correspondent

banks, brokers and

professional advisers.

Money Management

Through our efficient

deployment of funds

throughout the world

banking system and our

excellent communications

facilities we are able to offer

competitive interest rates on

fixed term deposits with

maturities of less than one

year. A very high degree of

liquidity is maintained. In-

terest on deposits is received

by us and paid to our

depositors without deduc-

tion of tax. Excellent telex

and other communications

from Bermuda enable our

corporate and private

customers elsewhere in the

world to operate an up-to-

minute money management

strategy to maximise oppor-

tunities as they occur.

Investments

Trusteeships of private fixed

and discretionary trusts,

pension and retirement plan

administration for third coun-

try nationals, investment and

custodianship services and

escrow agencies. We act as

company and mutual fund

transfer agents and

registrars, and provide from

among our Officers directors

for client companies incor-

porated in Bermuda.

Confidentiality

Although Bermuda is the

oldest British colony it is vir-

tually self-governing and as

such enjoys its own form of

sovereign jurisdiction.

Disclosure cannot therefore be compelled by foreign

courts or foreign govern-

mental agencies without

going through the Bermuda

legal system. No transac-

tions carried out by us

anywhere in the world

discloses our clients'

identities unless on their

specific request.

Our Expertise

We can advise clients on all

aspects of international

banking, investments and

the advantages of using

Bermuda as an insurance,

financial or trading base. We

can also serve as a centre to

arrange meetings for clients

with the law firms, account-

ants, insurance

managers and other

professionals best able to

handle a particular client

profile. Write to us for fur-

ther information.

The Bank of N.T.
Butterfield & Son Limited
Bermuda's first bank.

BERMUDA IV



Bermuda National Bank Limited, through its affiliation with The Bank of Nova Scotia, has access to nearly 1100 offices around the world. This global network enables us to provide our clients with a full range of International Banking services from Bermuda.

Trustee services are available from our subsidiary, Bermuda National Executor & Trustee Company Limited.

P.O. Box 1540, Hamilton, Bermuda
Cable Address NATBANK
Telex: NATBANK BA260
Telephone: 809-295-1400

BERMUDA IS considering joining the modern world: its hotel industry is at last contemplating accepting credit cards.

Until recently it had been the Bermudian hoteliers' boast that only China and the mid-Atlantic British colony had held out against what is termed "the plastic." Now it appears that Peking is offering American Express a toehold, and Bermudians, too, are rethinking their traditional opposition to credit cards. This opposition was partly based on economic grounds (payment charges to credit card companies are passed on to customers in marginally higher prices), but also on the sentiment that it was a slightly infra dig form of commercialism.

This touch of old-world stuffiness has been much-diluted in recent years, but tourists seeking racy night-spots may still be encouraged to look to Miami and the Caribbean. The island's traditional charm is soundly based today on extensive tourist facilities: half a dozen top-line hotels, nine golf courses, and even 100 tennis courts (Bermuda claims to have been the

site of the first tennis played in the western hemisphere). All of this packed into 20 square miles, with many more miles of surrounding coral reef and beaches, with the bonus of cerulean skies and balmy weather for most of the year.

Tourism is by far the biggest prop in the Bermudian economy. It is also the country's largest employer and accounts for some 70 per cent of all foreign exchange earnings. According to the latest figures available, the tourist industry put \$230m into the economy in 1977 — and, of this, \$215m was from regular tourists, with the balance being cash spent by visitors who "stop off" from cruise ships which ply the island's harbours in summer.

The investment stake in the island's hotels is commensurately as large. The 60 per cent Bermudian ownership rule is relaxed for the hotel sector because there simply is not, or was not, sufficient local funds to build projects such as the Southampton Princess (Bermuda's most luxurious hotel, owned by the American millionaire, D. K. Ludwig).

Built at a cost of \$45m, this works out at about \$65,000 per room.

There is, however, a Government rule that hotels of less than 50 beds should be Bermudian-owned.

It was thus with some trepidation that Bermudians' tourist industry awaited the effects of the December, 1977, disturbances. And, inevitably, the number of regular tourists in the first five months of 1978 dipped nearly 15 per cent compared with the same period in the previous year.

But much of that decline, according to Mr. Jim Woolridge, the tourism Minister, was made good with an extra burst of advertising and tourism promotion so that 1978 ended with only a 3.7 per cent decline on the previous year in the total number of visitors. Disappointing perhaps, but far from catastrophic, although hotel occupancy rates sank to less than 61 per cent averaged over the whole year.

Mr. Lyndon Clay, the hotel association president, comments that the omens for this year are good. The target is to bring the hotel occupancy rate back up to 75 per cent and thereby push the hotels firmly back into the black.

America

No sector of the Bermudian economy is more intimately linked with America than tourism. The overwhelming majority of visitors to Bermuda last year were Americans (486,752). This is another reason why any mild recession in the U.S. economy could give Bermuda a nasty chill.

"We still recognise that our main catchment area remains the 100m people who live on, or near, America's east coast," comments Mr. Woolridge. Even so, he and his department are now trying to woo visitors from farther afield—partly by stretching their promotional efforts to Texas and the west and Pacific states of the U.S., but also more to Europe.

The target in Europe is not Britain—which Bermudians still stoutly refuse to think of being really part of Europe—but the Continent itself, from where a mere 5,000 visitors came to Bermuda last year (a quarter of the number of British tourists in 1978). The largest continental European contingent was from West Germany, a market which Bermuda believes should be further tapped, since the Germans are rich and, with a strong currency, can easily afford the air fare. This squares with the Bermudian Government's profile of its ideal tourist as a well-heeled professional with an annual income of \$25,000, who can thus cope with some of the island's pricier hotel rates.

Second, the farther tourists travel, the longer they tend to stay on holidays. Americans, for instance, spend on average less than a week on the island; Canadians a little longer; Britons tend to stay 12-13 days to justify their holiday air fares.

Bermuda is for the first time on this year's main West German holiday listings, and Bermuda tourist officials, now working on their German phrases, plan to be represented in at least one German travel rate later this year.

Moves

The word dings is also a little better understood in Bermuda because of certain recent moves by the U.S. Civil Aeronautics Board to encourage U.S. airlines to take up a host of the domestic routes they have been awarded but never serviced—or else see them go to competitors. The CAB ruling, taken in the name of de-regulation, has meant that three airlines that fly to Bermuda from the U.S.—American, Eastern and Delta—have little or no extra aircraft to put on additional flights at peak holiday times.

It is hoped, however, that once the scramble for U.S. domestic routes has settled down, and the aircraft on order are delivered to U.S. airlines, then this situation will ease.

Bermuda wants as much air traffic as it can handle—and there is now a Government plan to put its air terminal under a statutory airport authority, and also to spend some \$10-12m in the next few years to expand it.

Bermuda also won a valuable

concession in the U.S.-UK bilateral air agreement that bears the island's name: Bermuda II, signed in mid-1977. It successfully resisted the mother country's insistence that only one U.S. airline be designated to fly to a "British" destination from any one U.S. city. The colony kept its three American carriers.

The CAB is not all bad news for Bermuda. Charters have long been a staple of the island tourist business, and Bermuda has enthusiastically accepted the CAB's concept of "public charters," which not only relaxed previous requirements of advance booking and payment, but also virtually removes the old affinity criterion for charters, such as (notionally) members of a group must all be left-handed, red-haired giants to qualify for charter rates. The hope is that this will attract business from the many American cities with no scheduled non-stop flights to the island.

For its part, Bermuda—or rather its hotel association—relaxed its previous curbs on negotiated rates and block bookings last year that made at least some European travel agents hesitant to drum up group business for the island.

Eschew

Bermuda is, in a sense, in the happy position of not having an airline of its own to protect from outside competition. There is a Bermudian-owned freight airline (assets include one plane)—but, in the view of the Tourism Minister, if or when Bermuda becomes independent, a national airline will be one of the traditional trappings of sovereignty that the island would be well-advised to eschew.

Mr. Woolridge points out that marketing costs, as well as those of crews and buying or leasing planes would put such a venture out of the island's price range.

Another five years will see the peak of Bermuda's tourist industry. This is the firm view of the Government (and, indeed, the industry itself) which has just given the go-ahead to the building of one new 350-bed hotel and the addition of an extra 750 beds in existing hotels and guest houses.

This decision, cautiously weighed during the 1973-78 ban on new hotel building, will bring the number of beds to over 10,000.

That new level, on a densely populated island with more than 3,000 inhabitants per square mile, is considered to be saturation point, without putting unacceptable strain on the country's limited supplies of land, labour, and transport and, equally important, without harming its tourist amenities.

THE COMPLETE INDEPENDENT INSURANCE COMPANY MANAGEMENT SERVICE

Since 1962 International Risk Management, Ltd. has provided facilities for major corporations to form offshore insurance subsidiaries without the risk and heavy initial investment in time, skills and money necessary to initiate a self-managed operation. These insurance subsidiaries furnish equal protection against loss at a significantly lower cost than conventional insurers. Our average major client has benefited in the seven figure range.

For a corporation of adequate size, which meets the applicable standards, the subsidiary insurance company is a flexible financial tool which utilizes the insurance, technical and financial skills within the insured corporation and provides direct access to the world insurance markets where all major risks are ultimately insured.

Services Offered By:
International Risk Management, Ltd.
Full Underwriting, Accounting, Loss Prevention and Engineering Services.
A Solvency Reinsurance Programme.

We are prepared to explore with corporate management the prerequisites for an insurance subsidiary and perform a feasibility study for a nominal fee.

INTERNATIONAL RISK MANAGEMENT, LTD.

A member of the American Risk Management Group - The acknowledged leader for over 20 years.

Fred M. Reiss Chairman

Belvedere Building, Pitts Bay Road,
P.O. Box 660, Hamilton 5, Bermuda
Telex 3335 B.A.
Cable IRMLBERMUDA
Telephone (809-29) 5-0713

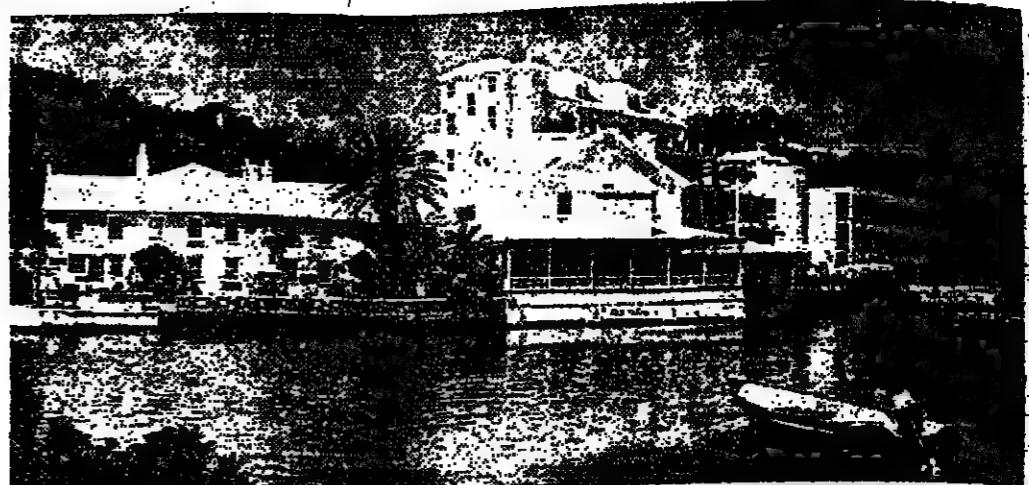
Offices in the United Kingdom and the United States.

YOUR PARADISE HOME AWAIT YOU IN FABULOUS BERMUDA

The Panorama Town House development in Paget Parish is the ultimate in luxury Island living. Own your island home, five-in maintenance-free comfort centrally-located near the City, beaches, boating, golf and tennis.

For particulars, contact:
JOHN W. SWAN LTD.
Victoria Street, Hamilton,
Bermuda

Big money from tourism



Above: One of the island's many hotels—the Coral Island at Flatt's Village



Below: Jobson's Cove is typical of the sheltered beaches ringing the coast

In Bermuda and over 70 other countries, communications means Cable & Wireless.

With a sophisticated world network of satellite and conventional radio links, submarine cables, telex and data transmission facilities, air traffic communications, telegraph and telephone systems.

Cable & Wireless. Continuing to serve the government, business community and people today. Building now for the future.

Cable & Wireless helps the world communicate

Church Street, Hamilton 31, Bermuda.
Tel: 809 29 54777 Telex: 3222

Mercury House, Theobalds Road, London WC1X 8RX. Tel 01-242 4433 Telex 23181

Worldwide investment services for institutions and individuals.

Fidelity manages a wide variety of investment funds which serve the various investment objectives of both institutions and individuals.

Fidelity American Assets

Seeks long-term capital growth through investment in U.S. and Canadian companies having valuable fixed assets or large reserves of exploitable natural resources or sound companies, whose shares appear to be substantially undervalued.

Fidelity World Fund

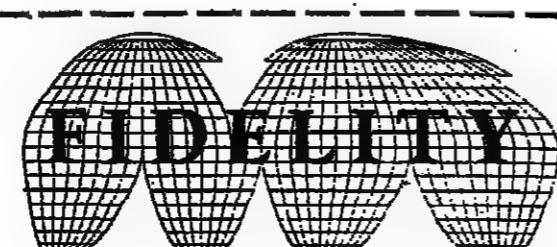
Investing for long-term growth in a diversified group of international and multinational companies with substantial fixed assets, resources and proven capabilities.

Fidelity Pacific Fund

The objective is long-term growth in a diversified portfolio of Japanese and Pacific area national and multi-national companies.

Fidelity Dollar Savings Trust

An income investment in securities of the U.S. Government, agencies of the U.S. Government and notes of the free world's largest banks. A safe income investment for institutions, corporations and individuals.



Bermuda Boston New York London Tokyo

Fidelity Management and Research (Bermuda) Ltd.

Outerbridge Building, Pitts Bay Road, Hamilton, Bermuda

Tel: (809) 295-0665

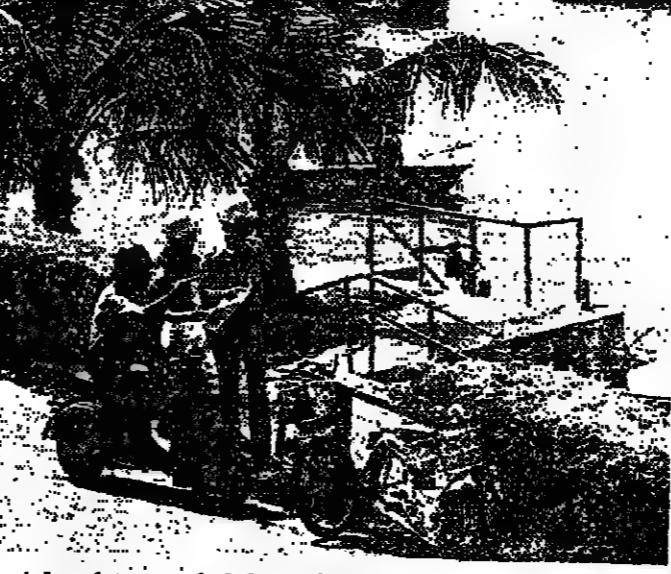
Please send me more information on Fidelity's services:

Name _____

Home Address _____

Company Name _____

Company Address _____



A handy way of sightseeing is by rented motorcycle

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

David Lascelles on the tobacco company that took a successful plunge into beer and soft drinks

Philip Morris gallops to the top

FEW companies manage to notch up 25 consecutive years of uninterrupted profits growth. The latest to join the select few is Philip Morris, the cigarettes and drinks giant whose 1978 earnings rose a further 22 per cent to just over \$400m. Not bad for a company that started out over 100 years ago as a small shop in London's Bond Street.

How does it do it? "Charm, intelligence, wit," quips George Weissman, the company's new chairman, who lacks none of those qualities himself. "And a bit of luck," he adds with a twinkle.

Mr. Weissman took over last November from Joseph Cullinan, whose bold leadership earned him 58 consecutive increases in quarterly earnings, ranking him number three in U.S. corporate history. (The two above him were John Connally of Crown Cork and Harold Geneen of ITT.) But Mr. Weissman is a newcomer to Philip Morris.

A former journalist, he joined the company back in 1952, and today looks quite at home in the chief executive's office above New York's Park Avenue, surrounded by the artifacts of his trade: everything from a hookah to a Picasso portrait entitled "The Smoker."

His style is so relaxed that it belies the boldness and sheer money power for which Philip Morris is renowned in a business where profits can be paper thin, and where the latest cancer scare can wreak as much damage as a major economic recession. Despite its long history—the original Bond Street shop set up a New York agency in 1903

and this was transformed in 1919 by a group of U.S. investors into a limited company incorporated in Virginia—Philip Morris's real achievements have only come in the last ten years. Since 1968 revenues have risen sixfold (against less than threefold in the previous ten years), and profits eightfold (twofold). In that time, Philip Morris turned its Marlboro brand into the world's best-selling cigarette, pushed the once ailing Miller brewery which it bought in 1970 into the no. 2 position on the U.S. domestic market, and made a successful \$317m bid for Seven Up, the world's leading non-colal soft drink.

Powering this rise was a corporate strategy, as Mr. Weissman puts it to "tune into the generations to come" and serve them up with the low-cost pleasures of life. And since Philip Morris was pulling itself up from bottom position in the big six league of U.S. tobacco companies, it "had to do things a bit differently—in an offbeat way."

Rugged image

One of Philip Morris's biggest, and earliest, breaks with tradition, was the decision, in the mid-1960s, to market Marlboro using the now-famous rugged cowboy image. Before then, cigarettes were marketed as a high-class product, with aristocrats lighting up in stately homes, or film stars puffing in nightclubs.

Says Mr. Weissman, "It was a gamble. But we chose the cowboy because he is close to the earth. He's an authentic

REMARKABLE GROWTH
(\$M.)

	1974	1975	1976	1977	1978
Operating Revenues	3,071	3,642	4,294	5,201	6,632
Tobacco	2,326	2,704	2,967	3,493	4,231
Brewery	404	658	983	1,328	1,834
Other products	281	280	324	381	567
Gross Profit	379	469	620	770	957
Tobacco	355	426	516	615	751
Brewery	6	28	76	106	150
Other products	18	15	28	49	56
Net Earnings	176	212	266	335	409

* Seven Up results were consolidated only as from June 1 1978.

Revenues for the whole of last year were \$300.5m, and income \$65.7m.

American hero. Probably the only one. And it worked.

Marlboro but the right note." Another gamble was the decision in the early 1970s to build a \$250m cigarette-making plant in Virginia—just as others were cutting back—out of a conviction that Philip Morris could continue to increase its market share.

The company also claims to be among the pioneers of innovations like recessed filters, extra long 100s, and cigarettes aimed specifically at the female market.

Last year it expanded its foreign cigarette business with the purchase from Liggett of its overseas business for \$108m, including the well-known Chesterfield brand name.

Liggett, which had sunk to occupying Philip Morris's erstwhile number 6 position in the industry, was in the process of pulling out of the tobacco business altogether, and Philip Morris might have contemplated buying its domestic operations as well, were it not for the

anti-trust obstacles.

Philip Morris now claims to have 28 per cent of the U.S. cigarette market, and 5.5 per cent of the market overseas.

In both cases, this is about double its market share ten years ago.

A similar boldness marks

Philip Morris's approach to brewing. The first thing it did after acquiring Miller was to announce a \$25m investment plan in new and expanded plant.

"People thought we were nutty," said Mr. Weissman. "But the new plants made better beer and more of it." Again, the gamble paid off.

Better beer

Today, Miller is the second largest brewer in the U.S. behind Anheuser-Busch with 19 per cent of the market, having edged one of the grandest names in U.S. brewing, Schlitz, into third place.

In all these cases, a key feature was heavy advertising—in Miller's case on a scale virtually unprecedented in the industry. Like the Marlboro cowboy, the pitch tends to be unusual and eye-catching.

could occupy nearly 30 per cent of the market. The most frequently cited reason is the brilliance of Philip Morris's marketing, which does not include price-cutting; Miller is highly profitable as well as fast-selling.

Mr. Weissman attributes this to his company's skill at understanding market trends, and in creating new demand and then meeting it, like the recent shift to low calorie beer which Miller brews under the Lite label.

Miller has also made inroads into the quality "imported" beer market by brewing Lowenbrau under German licence.

Then, exactly a year ago, Philip Morris launched its bid for Seven-Up, figuring that it had the expertise in beverages, mass manufacturing, marketing and packaging to make a success of the soft drink company whose market share had begun to slip. But most important, Mr. Weissman says, Seven-Up was in a vast market which would give Philip Morris room to grow.

"It's not enough just to have the skills," he said. "You've got to ask yourself whether the market is profitable enough, and big enough for expansion." Seven-Up also had an excellent brand name and Philip Morris hopes to be able to double sales over the next five years or so. Analysts believe plans could include a cola enabling Philip Morris to tackle the giant, head-on.

In all these cases, a key feature was heavy advertising—in Miller's case on a scale virtually unprecedented in the industry. Like the Marlboro cowboy, the pitch tends to be unusual and eye-catching.

Lite is promoted

humorously on TV by well-known sportsmen. In one of the most popular ads, the proprietor and (now ex-) coach of the New York Yankees baseball team argued whether Lite beer is good because it tastes better or is less filling. A row boils up and ends with the proprietor firing the coach (a denouement which was ironically later borne out in real life—at about the time the ad first appeared).

Mr. Weissman stresses two other aspects of Philip Morris corporate strategy. The company has built up what he calls a "good core of young executives," trained as generalists to fill virtually any management position in the company. Philip Morris also emphasizes quality control: about 25 per cent of the workforce is connected in some way with ensuring that its products live up to its standards.

cigarettes, beer and soft drinks, but primarily Miller's. It seems unlikely, though, that the analysis disagree, given Philip Morris's remarkable record, the strength of its marketing and the efficiency of its operations.

Robert Cummins, food, beverage and tobacco analyst at Loeb Rhoades Hornblower, describes Philip Morris as "one of the premier growth companies of America, and one whose earnings gains over the past decade have averaged 19 per cent a year, a trend that we expect will continue."

France and Germany. In Belgium almost half had been promoted three or more times.

British MBAs are perhaps one of the most professionally qualified in the world says the survey. It found that 41 per cent had a professional qualification—usually accounting or engineering—in addition to their MBA.

In most countries the graduates believed it was important to have experience in business before starting on an MBA. In the UK this was reckoned as being "extremely important" by no less than 81 per cent, a view shared by only 30 per cent of their American colleagues. Four out of five graduates in the UK had had business experience before going to business school as had those in Switzerland and Japan as well.

Further details from Egon Zehnder International, 87 Jermyn Street, London SW1Y 6JD.

How business graduates fare around the world

BY JASON CRISP

manufacturing there is a tendency in most countries for business graduate managers to work in chemicals or food, drink and tobacco. In the UK, however, 10 per cent of MBAs worked in mechanical engineering.

Not only do MBAs tend to steer away from what might be called the dirtier industries, they show a similar tendency in the jobs they perform within their companies. In almost every country at least one in four was working on the finance and control side, and in most countries over 20 per cent were working in marketing. Only a few were to be found in such areas as production and manufacturing, or personnel and labour relations.

Within the various sectors of

the perennial complaint by British managers that they are not paid as well as their colleagues in other countries is amply demonstrated by this survey, though it does not take account of the effect of taxation, or the varying costs of living. But for all age groups the MBA in the UK has a dramatically lower salary than his counterparts in Europe, Japan and the U.S.

For instance the median salary range for the British business graduate aged between 30 and 34 is £3,700-£11,100 while in France it is £18,100-£19,400. The most extreme example is Switzerland, where the equivalent executive earns nearly £20,000, although if cost

of living was taken into account the comparison would obviously be less dramatic.

The survey also looked at "additional benefits" or perks, where UK managers might have been expected by reputation at least, to have made up ground on their colleagues overseas. But according to this survey, British perks are on a par with those received in other countries except Australia, where the figures would appear to be about double those elsewhere. In Britain the executives questioned in the 40 to 44 age range reported receiving additional benefits worth between £2,700-£5,500.

British graduates working in the UK who have been to

American or European business schools appear to fare markedly better than those who have been to one in the UK itself.

Throughout their careers graduates from U.S. and European business schools earn considerably more than those graduating in Britain—double in the case of the U.S. graduates.

There is a quite extraordinary desire on the part of the UK managers to change jobs, prompted presumably by the opportunity to increase salary despite wage restraints.

In Britain 30 per cent of the respondents claimed to be actively seeking new employment, almost double the number in Switzerland, Belgium, and broadly in line with those in the U.S., Switzerland, and Japan.

We'll give you millions of consumers



But that's our business!

Why not make it yours?

You're in the goods distribution business or maybe even in the last service sector, so you need to reach the largest possible number of consumers to be successful. In Warrington we'll put you in touch with 55 million of them, throughout the U.K. In fact more than 15 million consumers are within one hour's drive of the town itself. Add to this the fact that we've rapidly grown into one of the country's foremost locations for commercial expansion and you'll discover why so many of the biggest names in industry have found Warrington the

ideal base for effective communication and product distribution.

We're situated right next to the Crossover point of the M6, M62 and M56, so country-wide communication is easy. We're only minutes away from the North's leading container ports and rail services—and of course, we're only a short drive from Manchester International Airport.

Find out more about the country's leading distribution centre and the superb, immediately available accommodation we have to offer. When it comes to distribution, Warrington means business.

Phone Lind White (0925) 511444 now or post the coupon for further details to: Warrington Area Town Development Corporation, P.O. Box 49, Warrington, Cheshire, WA1 2LJ. Tel. 0925 511444.
3,000 sq. ft. 7,500 sq. ft.
15,000 sq. ft. 20,000 sq. ft.
80,000 sq. ft.

State size required _____

Name _____

Position _____

Company _____

Address _____

Telephone _____

Fax _____

THE CLAN McCANNY

SCOTTISH PROVIDENT

For further information write to:
Scottish Provident Institution, (S), Freepost, Edinburgh EH2 0DH



Warrington means Business



FT9/3

Globe

Joking Apart by B. A. YOUNG

As the title may suggest, this is Alan Ayckbourn in his sociological mood again. His hero Richard, a director of the Scandinavian Craftwork Company, is gifted with flair, and his wife Anthea is gifted with charm. (She is not his wife, but since they live together as if she were, and nothing is made of the point, it is convenient to think of her so.) With two delightful children, discreetly kept offstage, what should there be in their lives but joy?

We see them at four-yearly intervals over 12 years, and joy it is—for them. For everyone else it is a disaster of one kind or another. Richard's Scandinavian partner Sven, whose aggressive superiority is nearly put over by Robert Austin, becomes less and less certain of his perfection as Richard makes him less necessary in the firm, until he ends as a cheerfully humble man with a heart condition and a wife (Jennifer Piercey) lamenting him on the touchline. Hugh (Julian

Fellowes), the new young vicar, falls uselessly in love with Anthea, while his wife Louise (Marcia Warren) a character we seem to have met before in *Just Between Ourselves*, relapses into melancholia. Brian (John Price), who spends his weekends at Richard's house with a series of girl-friends hard to tell apart, ends up perceiving the bloom of middle-age when Anthea's daughter Debbie (Diane Bull), who comes from the same mould, gives him a cold look at her 18th birthday party.

Mr. Ayckbourn develops his theme very cautiously to begin with. It has taken the whole of the first act to lead us to the point where we are told that Richard's brilliance and Anthea's universal kindness has won them only suspicion from their companions: The plotting is adorned in true Ayckbourn fashion with a fireworks display on a very warm Guy Fawkes Day when the trees still bear the leaves Alan Tagg has given them so generously in his set) and one end of a game of tennis.

Christopher Cazenove and Alison Steadman do indeed maintain them high in our affections with their charmingly undemonstrative playing. The author himself directs, and the familiar comic skills flicker about the stage. Like a critical Oliver Twist, though, I wanted some more—even though I was dazzled by the beauty of Miss Steadman's dress (by Lindy Hemming) in the last scene.

Mr. Ayckbourn develops his theme very cautiously to begin with. It has taken the whole of the first act to lead us to the point where we are told that Richard's brilliance and Anthea's universal kindness has won them only suspicion from their companions: The plotting is adorned in true Ayckbourn fashion with a fireworks display on a very warm Guy Fawkes Day when the trees still bear the leaves Alan Tagg has given them so generously in his set) and one end of a game of tennis.

Christopher Cazenove and Alison Steadman do indeed maintain them high in our affections with their charmingly undemonstrative playing. The author himself directs, and the familiar comic skills flicker about the stage. Like a critical Oliver Twist, though, I wanted some more—even though I was dazzled by the beauty of Miss Steadman's dress (by Lindy Hemming) in the last scene.

Christopher Cazenove, Alison Steadman and Julian Fellowes

Leonard Burt

ABC Theatre, Peterborough

Idomeneo by RONALD CRICHTON

If a musical fortune-teller had said, "You will shortly see Gluck's *Iphigenia in Tauris* at Eastbourne and Mozart's *Idomeneo* at Peterborough; she would have told to take her tea-leaves elsewhere. Yet both those things have happened during the past year or so; both were rewarding and illuminating occasions, given before large and raptly attentive audiences by Kent Opera. On Tuesday the new *Idomeneo* (in an English version by Michael Irwin) opened the company's first season at Peterborough. Norman Platt produces, Roger Norrington conducts, the designer is Roger Butlin.

A good, enlivening *Idomeneo* they have made of it, musically fine-sung in Kent Opera's now firmly established tradition. How admirable that the company should be so sure-footed—as their recent Radio 3 broadcast of *Iphigenia* also recalled—on the higher slopes of opera. For *Idomeneo*, Mr. Norrington uses a small string section equally balanced in numbers with woodwind and brass (no trombones in this version). To do this in a building like the ABC at Peterborough, a cinema with an apology for an orchestra pit so that even with a small band players spill out into the stalls, is brave. From a seat dangerously near the bassoons the gain in clarity, the sensation of being half-inside Mozart's part-writing, was worth the occasional faintness of the strings away on the other side and the frequent drowning of the harpsichord.

Mr. Norrington's reasonable

speeds, stylish gracing, clean chording and airy textures gave extreme pleasure except when too much of the cuisine smacked lightness spread to the singing. Of the soloists only Anne Pasbey, the soprano Idamante, consistently projected every word and every note. Miss Pasbey's phrasing and enunciation were a joy: with female Idamantes like Janet Baker, Sylvia Lindemann and Miss Pasbey to choose from, how can anyone prefer the tenor alternative? The Ida of Deborah Rees, first winner of the Maggini Teyte competition, remarked not long ago, in a Haydn opera at the RNCM Manchester, is full of promise. Good Idaas are rarer than passable Electras: Miss Rees has a charming presence, the tone is still a little frail but will surely put on body. Meanwhile she should not be afraid to aim her voice at the back of the house.

Janet Price's Electra is not the now conventional, demented, post-Straussian creature but a well-born royal matron in control of inner pressures up to the very last moment. The final aria is omitted in favour of the fine accompanied recitative. Mozart substituted at the last moment for the Munich premiere—worth occasional hearing, but not one of his most convincing alterations. Miss Price could afford to let fly a little more there. Meanwhile she sang "Idol mio" both more sweetly and more securely than the wiser Elektras normally manage to do.

Although it contains so much superb music, the title-role is a beast. Idomeneo is the type of hero to whom calamities happen but who takes little effective action to set them right. Anthony Roden managed the long version of "Fuor del mar" and "Torna la pace" in the last act so fluently that one could understand some hanging back towards the beginning. Nevertheless the situation at the king's inopportune meeting with the son Idamante whom he must sacrifice demands something more than hunched shoulders. The Arbane of Paul Wintmars had exactly the manner of a harassed personal private secretary. Grant Pullen's pure-toned High Priest was too light-voiced—later in his career Mozart would surely have used a bass for the role. The possible theory that lack of projection was the theatre's fault

DON'T MISS THE LAST OF THE SPRING SKIING
We still have some last-minute Cheltenham Specials available departing on the following dates:
10 March—Selva
3 weeks—£109 pp
8 weeks—£189 pp
8 weeks—£219 pp
11 March—Megève
1 week—£129 pp
17 March—Cancún & Orlando
10 weeks—£179 pp
10 weeks—£219 pp
1 week—£129 pp
2 weeks—£189 pp
2 weeks—£219 pp
For further details contact:
JOHN MORGAN TRAVEL,
22 Albemarle Street,
London W1.
01-489 1913 (24 hours)
ABTA ATOL 052BC

BE ON TIME WITH THE SPEAKING CLOCK

AT THE THIRD STROKE
THE 3:15 WILL HAVE
STARTED PRECISELY

Dennis Tuohy to
rejoin Thames TV

Dennis Tuohy is shortly to rejoin Thames Television from the BBC to work as an interviewer and reporter on the ITV network programme TV Eye.

Cinema

Denizens of the night

by NIGEL ANDREWS

Nighthawks (X) Gate
The Last Supper (AA) Academy
Same Time, Next Year (AA)
Plaza
The Passage (X) Leicester
Square Theatre

Nighthawks is two "firsts" at once: it's the first film to come from the young British writer-producer-director team of Ron Peck and Paul Hallam, and it's the first film to delve with anything resembling realism into the mysterious jungle of London "gay" life. Shown and praised last year at the Chicago, Edinburgh and London film festivals, it reaches a public London run now thanks to the adventurous spirit of the Gate cinema's directors, Barbara and David Stone.

If you think that the film's portrait of homosexuality is for converts only, you may disbelieve yourself. Peck and Hallam have put honesty and naturalism as their first priorities, but there is also humour and a kind of bleak-funny universality in the story of a gay schoolteacher (Ken Robertson) who lives a Jekyll-and-Byde existence, wearing his respectable facade for daytime working hours at his comprehensive school, and haunting London gay bars and discos, clad in jeans and T-shirt, at night.

The film has a dogged, mournful naturalism so winning that its conversation scenes —

whether between gay men or between the hero and a married female teacher colleague (Rachel Nichols James) who bravely tries to "understand" his problem—are like Pinter dialogue short of its artful stylisation. A homosexual's life is seen, far from being uncommodity weird or squallid or exotic, as made of much the same hit-or-miss emotions and daily hopes and fears as anyone else's.

Apart from scenes set in a studio-built disco, where the denim-clad denizens of the night walk around amid the thumping music with a demeanour somewhere between entrancement and stupefaction, Peck and Hallam shot the who film on locations, in schools or in bedsits or on the London streets. The insecurity of gay life is sensitively expressed in the film's ever-shifting locales and seemingly "haphazard" cutting. Yet despite its apparent shapelessness, *Nighthawks* builds into film with a hypnotic rhythm, part-pulling, part-engrossing the viewer until the brilliant thunder-clap of a scene near the end in which the hero is suddenly confronted by his class with the question, "Sir, are you bent?" What follows is a merciless barrage of ribaldry, abuse and frontal interrogation, through which the hero does his valiant and moving best to impart some wisdom and tolerance where it is most needed.

The film's ironies verge at times on the glibly satirical, but the scene is so masterfully staged and photographed—the pale faces isolated against a velvety darkness as in a Renaissance painting—that the power of the imagery "powers through" the ideas. Less happy are the film's Before and After scenes: the Before sketching-out of the daily life, and the hierarchy of the plantation, with too heavy a finger of reprimand being pointed at the despot overseer and the unctuous priest; the After scenes in which the slaves, goaded into rebellion when the master revokes his promise of a holiday on Good Friday, kill the overseer, storm the plantation and then try to flee the wrath to come by escaping into the forests. Cinema history is littered with too many revolting-slaves sagas for this one to make a fresh, strong impact, and the noble promise of the film's central episode is never quite fully realised.

If the prime requirements of a pianist undertaking the Opus 118 set of piano pieces are a distilled intimacy of touch, and an ability to touch on the poignancy and sometimes passionate emotions contained within their song-form structures without shattering the mould, then Mr. Sheppard's success with the set must once again be deemed incomplete. Yet despite the tendency to come to the boil too quickly, there were beautiful things in his performance: a finely drawn middle section in the G minor Ballade (Mr. Sheppard showed an admirably sensitive response to the pathos of its modulation into the strange region of B major), a poised, gently lyrical start to the F major Romanze. Eleven of the Hungarian Dances from the third and fourth books closed the recital, transcribed from the version of four hands by Mr. Sheppard himself, and played with a curious, unpredictable mixture of fire, clumsiness, dash, and sudden heedlessness.

Warehouse

Invisible Man

by B. A. YOUNG

The Royal Shakespeare Company's other extra this week is a half-hour one-man piece spoken by Jeffery Kissoon against the bleak prison set of *Jail Diary of Albie Sachs*. *Invisible Man* is a monologue by Ralph Ellison, to be spoken by a black man in New York. To be black in New York is sometimes the same as to be invisible. People will bump into you and go on without apologising. You can find your self a secret home in the basement of a block of white people's apartments, and secretly equip it with a record-player and 1,369 light bulbs.

Sometimes, your invisible self will react against the rudeness of your visible neighbours and, like Mr. Ellison's narrator, demand an apology at knife-point, leaving your neighbour bleeding but unapologetic on the ground. It must be said that *Invisible Man* is nothing so liberal as a plea for better treatment of blacks. It is an explanation why blacks tend to explode in violence, or use their cunning to defraud the electricity authority. It may provoke understanding, but it is not likely to provoke sympathy.

Mr. Kissoon, who is himself black, begins with an image of respectability, in a smart grey double-breasted suit, a bow tie, a black Homburg hat. But he works himself up into a crescendo of passion fuelled by the music of Louis Armstrong (heard in his head, though not in the theatre) as modified by marijuana, until he is crying with the sound of a Negro revivalist preacher. It is quite an impressive bit of work. Next, and last, performance, 11.15 pm tonight.

Exhibitions at Riverside Studios

The Masaccio Exhibition compiled by Bread and Puppet theatre company from America and consisting of bas-reliefs, wood-cuts, paintings, cut-out figures and giant banners based on the frescoes in the Brancacci Chapel, Florence, is on display in Studio 2 at the Riverside Studios, W6, until March 30

(admission free).

Also at the Studios, Jan Marek's work will be on display until April 1. He investigates the relationship between an image and its method of creation by means of graphic sequences. Swiss-born Marek went to St. Martin's School of Art from 1973-75.

Milstein returns to London

When the Russian violinist Nathan Milstein appears with the Philharmonia Orchestra at the Festival Hall on March 25, it will be his first appearance in London since January 1973. He will play the Brahms Violin Concerto, in a concert which will be conducted by Simon Rattle.

The concert is sponsored by the Royal Organisation who contributed to the orchestra's tour of Japan last November.

The Last Supper, by the Cuban director Thomas Alea, is about a different "minority": slaves. Set on a Cuban sugar plantation in the late 18th century, it tells the story of a rich, paternalistic Count (Nelson Villagra) who treats his slaves with a mixture of personal benevolence and delegated cruelty. The cruelty is delegated to a bullying overseer whose task is to ensure that the slaves reach the requisite sugar quotas. The benevolence is the fruit of the Count's own conscious-saving Christianity.

Come Holy Week, he decides to enact his own Imitation of Christ by inviting 12 of his slaves to a Good Friday eve dinner. The stage is set for the film's Buñuelian centre-piece, a lordly parody of the Last Supper in which the host, labouring under his delusions of New Testament grandeur, becomes more loftily Christ-like as the evening and the wine wear on. First he washes the feet of his disciples one by one; then he waxes eloquent on the Christian virtues of enduring pain; and in a final access of pious generosity he grants freedom to an elderly slave, who promptly asks bewilderedly what he may go on living on the plantation.

The film's ironies verge at times on the glibly satirical, but the scene is so masterfully staged and photographed—the pale faces isolated against a velvety darkness as in a Renaissance painting—that the power of the imagery "powers through" the ideas. Less happy are the film's Before and After scenes: the Before sketching-out of the daily life, and the hierarchy of the plantation, with too heavy a finger of reprimand being pointed at the despot overseer and the unctuous priest; the After scenes in which the slaves, goaded into rebellion when the master revokes his promise of a holiday on Good Friday, kill the overseer, storm the plantation and then try to flee the wrath to come by escaping into the forests. Cinema history is littered with too many revolting-slaves sagas for this one to make a fresh, strong impact, and the noble promise of the film's central episode is never quite fully realised.

If the prime requirements of a pianist undertaking the Opus 118 set of piano pieces are a distilled intimacy of touch, and an ability to touch on the poignancy and sometimes passionate emotions contained within their song-form structures without shattering the mould, then Mr. Sheppard's success with the set must once again be deemed incomplete. Yet despite the tendency to come to the boil too quickly, there were beautiful things in his performance: a finely drawn middle section in the G minor Ballade (Mr. Sheppard showed an admirably sensitive response to the pathos of its modulation into the strange region of B major), a poised, gently lyrical start to the F major Romanze. Eleven of the Hungarian Dances from the third and fourth books closed the recital, transcribed from the version of four hands by Mr. Sheppard himself, and played with a curious, unpredictable mixture of fire, clumsiness, dash, and sudden heedlessness.

There remain the performances. Ellen Burstyn and Alan Alda deftly encompass the changes wrought in the character by age and passing fashion—she goes through a hippy phase one year, is pregnant another; he goes from starched-collar conservatism to colour supplement liberalism—and they bang about the script's best lines in spirited fashion. But move so inexorably as they are along the rails of sentimental predestination, it is beyond either player finally to turn his character into a convincing and autonomous human being.

That was 1951. We next meet them in 1956, then 1961, then 1966 and so on, twice a decade up until two years ago. They grow older but not apparently any wiser, since this must be one of the daftest and most unfulfilling romantic liaisons

*

"Why do you think we Germans conquered France? It's obvious. To get at your recipes." So quips preening SS officer Malcolm McDowell as he throws in another explosion or whips up some extra rhubarbing from the extras. The film is idiotic but not too unenjoyable; there are worse refugees about for a rainy London afternoon.

*

There remain the performances. Ellen Burstyn and Alan Alda deftly encompass the changes wrought in the character by age and passing fashion—she goes through a hippy phase one year, is pregnant another; he goes from starched-collar conservatism to colour supplement liberalism—and they bang about the script's best lines in spirited fashion. But move so inexorably as they are along the rails of sentimental predestination, it is beyond either player finally to turn his character into a convincing and autonomous human being.

That was 1951. We next meet them in 1956, then 1961, then 1966 and so on, twice a decade up until two years ago. They grow older but not apparently any wiser, since this must be one of the daftest and most unfulfilling romantic liaisons

*

There remain the performances. Ellen Burstyn and Alan Alda deftly encompass the changes wrought in the character by age and passing fashion—she goes through a hippy phase one year, is pregnant another; he goes from starched-collar conservatism to colour supplement liberalism—and they bang about the script's best lines in spirited fashion. But move so inexorably as they are along the rails of sentimental predestination, it is beyond either player finally to turn his character into a convincing and autonomous human being.

That was 1951. We next meet them in 1956, then 1961, then 1966 and so on, twice a decade up until two years ago. They grow older but not apparently any wiser, since this must be one of the daftest and most unfulfilling romantic liaisons

*

There remain the performances. Ellen Burstyn and Alan Alda deftly encompass the changes wrought in the character by age and passing fashion—she goes through a hippy phase one year, is pregnant another; he goes from starched-collar conservatism to colour supplement liberalism—and they bang about the script's best lines in spirited fashion. But move so inexorably as they are along the rails of sentimental predestination, it is beyond either player finally to turn his character into a convincing and autonomous human being.

That was 1951. We next meet them in 1956, then 1961, then 1966 and so on, twice a decade up until two years ago. They grow older but not apparently any wiser, since this must be one of the daftest and most unfulfilling romantic liaisons

*

There remain the performances. Ellen Burstyn and Alan Alda deftly encompass the changes wrought in the character by age and passing fashion—she goes through a hippy phase one year, is pregnant another; he goes from starched-collar conservatism to colour supplement liberalism—and they bang about the script's best lines in spirited fashion. But move so inexorably as they are along the rails of sentimental predestination, it is beyond either player finally to turn his character into a convincing and autonomous human being.

That was 1951. We next meet them in 1956, then 1961, then 1966 and so on, twice a decade up until two years ago. They grow older but not apparently any wiser, since this must be one of the daftest and most unfulfilling romantic liaisons

*

There remain the performances. Ellen Burstyn and Alan Alda deftly encompass the changes wrought in the character by age and passing fashion—she goes through a hippy phase one year, is pregnant another; he goes from starched-collar conservatism to colour supplement liberalism—and they bang about the script's best lines in spirited fashion. But move so inexorably as they are along the rails of sentimental predestination, it is beyond either player finally to turn his character into a convincing and autonomous human being.

That was 1951. We next meet them in 1956, then 1961, then 1966 and so on, twice a decade up until two years ago. They grow older but not apparently any wiser, since this must be one of the daftest and most unfulfilling romantic liaisons

*

There remain the performances. Ellen Burstyn and Alan Alda deftly encompass the changes wrought in the character by age and passing fashion—she goes through a hippy phase one year, is pregnant another; he goes from starched-collar conservatism to colour supplement liberalism—and they bang about the script's best lines in spirited fashion. But move so inexorably as they are along the rails of sentimental predestination, it is beyond either player finally to turn his character into

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telex: 288241/2, 288297
Telephone: 01-249 3008

Friday March 9 1979

The dangers of comparability

THERE ARE growing and welcome signs, most recently in the dispute at The Times and in the hospital wards, that industrial relations are being conducted in a more civilised way after the ill-temper of the winter, and that the outcome of the whole wage round will not be nearly as bad as first fears had suggested. However, peace has a price. The price in money in the private sector, although it is visibly damaging profits and competitiveness, and will in due course reduce growth and employment, must be borne with such philosophy as we can muster. It is perhaps the cost of re-establishing a principle—that where money values are protected, the market has the last word.

Natural justice

In the public sector, on the other hand, the money cost of peace will not be known until the autumn; but what has already been offered in concession in principle which we continue to regard as questionable and potentially dangerous. Incomes policy, it is now tacitly conceded, is dead; long live comparability. It sounds like natural justice, and that is precisely why the concession is so dangerous. In the long run, the cost of the idea could be much higher than the cost of the settlements needed to implement it.

The fact that large settlements would be needed this year to secure peace in the public sector has been obvious for many months. It does not arise out of any deep principle, but from the fact that the Government's incomes policy did not break down last autumn, but many months earlier. Under the 10 per cent norm—and indeed under its predecessor—public employees fell behind the private sector by some 5 per cent.

Commitment

Ministers do not like to talk about this; if they were more open, a realistic allowance for catching up should have been embodied in the White Paper on public spending. The Prime Minister tacitly conceded the real nature of the problem when he claimed that comparability was a formula to prevent what he called a merry-go-round—or what is better understood as a ratchet effect in which the public sector successively falls behind and then catches up, by way of large settlements which simply invite emulation in the following wage round. If comparability were no more than a fig-leaf to hide Ministerial embarrassment at abandoning what worked out in practice as

an attempt to fight inflation by picking on the public sector, we would welcome it.

However, it means much more. Indeed, it seems to mean anything which any trade union wishes it to mean. For civil servants, it means giving the findings of the Pay Research Unit the force of holy writ. For teachers, it means enshrining the highest pay relativity they ever achieved as a permanent norm. For ambulance drivers, it means parity with men in much more dangerous occupations. For Mr. Alan Fisher, it means that his own members should set the standard by which private sector pay for portage, floor scrubbing and part-time cooking are judged.

What is more, every claimant is encouraged by the official enthusiasm for comparability that his claim is a matter not of a bargaining objective, in which manning levels, productivity and security of employment can also be brought into the sum, but of elementary justice. Efficiency is an optional extra.

Holy writ

However, perhaps the most dangerous consequence in the long run of enshrining comparability, which is in any case a question-begging concept, as an administrative rule, is that it implicitly denies that it can ever be right to change realities. Changes in relative prices are the basic information system of a market economy; and despite the imperfections of the labour market, they have their role there too.

What this means in practical terms is that the relative ease of filling jobs is not only an important reason for giving more here and less there. It is the market's own verdict on the comparabilities ruling at any time. For example, it was far for many years, but has been less true recently, that it was easier for teaching and administration to attract good graduates than it was for productive industry. It was thus clear that established relativities, however "scientific," were wrong.

It is not surprising if a weak government fighting for survival, in which any case bankers after administered prices, should overlook these factors. However, the bill will be presented to the next Government, not only as a financial problem for a probable autumn budget, but as a tacit commitment to a woolly principle which could block efficient market adjustment. If the Opposition shares the misgivings we have stated here, it should say so. Silence means consent.

The lesson of Amoco Cadiz

THE INTERIM report of the Liberian investigation into the Amoco Cadiz oil tanker disaster off the Brittany coast, last year puts into perspective the argument that was in common currency at the time—and which was subsequently echoed in an inquiry by the French Senate—that the prime cause of the incident was to be found in an incompetent crew sailing an ill-equipped ship under a flag of convenience and in a clash of personalities between the master of the tanker and the master of the salvage tug.

Co-operation

The investigating Board, which was headed by Sir Gordon Willmer, a former Admiralty High Court judge, found that the Amoco Cadiz was a relatively modern vessel built only four years earlier in Spanish shipyard of world-wide reputation. She was equipped with all the latest navigation aids and had been classed in the highest classification by the American Bureau of Shipping. The company which owned her was registered in the U.S. and she was manned by an Italian crew, three of whom held a master's ticket and four of whom were qualified chief engineers.

The master of the tanker is severely censured by the Board for his "lamentable reluctance" to assume responsibility once his ship had broken down and in particular for his "inexcusable delay" in summoning assistance. But, while it is possible that a quicker reaction might have resulted in the arrival of a second salvage tug, the Board considers that it was by no means certain that the stranding and loss of the Amoco Cadiz would have been prevented.

The over-riding cause of the disaster was the failure of the ship's steering gear. Yet there is no way in which the design and installation of the steering equipment could be faulted under current international safety regulations. The steering system was operated by two pumps, but they were dependent upon a single hydraulic fuel system. Once this failed, the tanker was left without effective manoeuvring power.

Surely possibly for the speed with which help was summoned, the board believes that the disaster was inevitable once the steering had failed, given the ship's proximity to the French coast.

The board rejects any suggestion that the prolonged bargaining which took place between the masters of the tanker and the only salvage tug to arrive in time contributed to the disaster. It unhesitatingly accepts the evidence of the tug master supported by documentary records that he took immediate steps to make fast a tow without waiting for the conclusion of a contract.

The controversy over this point seems to have been irrelevant. It is nonetheless regrettable that the Board's attempts to pursue this as well as other aspects of the disaster should have been handicapped by what it describes as "a singular lack of co-operation—if indeed not hostility on the part of the French authorities—and, to a lesser extent, by the refusal of the Amoco Cadiz's owners to release records of their radio conversations with the tanker master and their standing instructions to the ship's crew."

The owner's reluctance is perhaps understandable since the company faces very substantial civil liability claims from the French and other commercial and governmental interests hit by the disaster.

The underlying lesson from the Amoco Cadiz disaster is however the need for close international co-operation in promoting higher standards of safety at sea. Major tonnage disasters are statistically relatively rare; but, when they do happen, the damage can be considerable. Standards have already been progressively raised and the Willmer board's findings point to a number of areas where further improvement is needed. It does not help if the official investigating teams set up to identify the lessons to be learnt from a disaster have to contend with a lack of co-operation by national authorities.

MEN AND MATTERS

Telling it like it is

Almost alone, it seems, the ebullient Dr. Rhodes Boyson, shadow education minister, is optimistic that he can inject at least some measure of parental choice into the dreadful Education Act, a veritable bureaucrats' charter, now working its way unremarked through Parliament.

"I spend my life being surprised by people," he says cheerfully about Clause 10 of the Act which comes up early next week. This concerns the publication of prospectuses for State schools, which Boyson believes is as reasonable as publishing their accounts.

The Government seems to accept the idea of a Freedom of Information Act," reasons Boyson. "It would seem people have a similar right to see the records of the schools they send their kids to. And they are not generally aware of it."

As he points out, if something is successful no one is shy about telling the world the details. Would he be surprised if the committee did vote for free

information? "If it goes through I shall be more delighted than surprised."

Seeing himself as a libertarian rather than a doctrinaire right-winger, Boyson believes comprehensives have been working well in some parts of the provinces, in particular Oxfordshire and Cambridgeshire. Until 1974, he was himself head of one of London's best comprehensives. "It should be left to the local authorities what they want. I don't like central direction. I was suspicious of central government before I entered politics. I'm more suspicious now."

One of his proudest moments, he says, was when he persuaded the chairman of a university anarchist society that he really belonged in the Tory party.

Mayne moves

As remarked in this column a few days ago, the next head of the EEC offices in London is likely to be journalist George Scoul. His path has been cleared by the announcement that the present head, Dr. Richard Mayne, is to become a special adviser to Roy Jenkins in Brussels. In simple English, he is being pushed upstairs.

Mr. Mayne's first task will be to make recommendations on the public presentation of EEC policies. Last night, he was listening to Mr. Jenkins give a talk at the Overseas Development Institute in London on one of the thorniest topics the Commission has to handle: "Europe and the Developing World."

Skies reply

Praying for rain, it seems, brings optimum results when persistence is coupled with interdenomination. Readers may recall that the Jordanian Islamic Affairs Minister declared a pray-for-rain day last Thursday. The answer came that night: half an hour of six-week-old drought.

Jordan's top catholic Bishop then declared Sunday a pray-

for-rain day for the country's Christians. The answer was exactly the same: half an hour of showers. No favouritism.

But now the Islamic Affairs Ministry has declared a second innings—a pray-for-rain day for this Friday. The skies have not even waited for the prayers. For the past 24 hours it has been raining solidly. I hear, throughout the kingdom.

Numbers galore

Latest government figures for production of malt whisky were created with a certain amount of scepticism north of the border. According to the Customs and Excise, Britain was, if not awash with whisky, at least going to be in a few years, when the stuff had matured. Official figures swelled production by several swimming pools-full, suggesting 50 per cent more malt—around 30 million gallons—was distilled last year.

"We had a call from an American gentleman who wanted to go straight up to Scotland to see what was going on," says the Scotch Whisky Association. "Every distiller would have had to be working flat out. Things have been picking up, but not that much."

Out of action because of the Civil Service pay dispute, the Customs and Excise computer in Southend is not in a position to dispel the department's embarrassment.

Big art race

The jockeying for the directorship of the Tate Gallery will become more intense in the weeks ahead, now that the Civil Service Commission has finally advertised the job as vacant (salary, £15,000 plus). The retirement of Sir Norman Reid, the director since 1964, has long been anticipated of course. I gather the Marxist art critic Peter Fuller is already running a book on the next incumbent. The temperature has been raised, however, by the furious attack on current policies at the

Tate by painter David Hockney.

In an interview in The Observer last week Hockney slammed Reid's attitudes to contemporary art-making particular sport of the "pile of bricks" sculpture.

Although Reid will be making a sturdy rejoinder this Sunday,

the hornets' nest aroused by Hockney may well buzz around the committee of trustees when they come to choose the new man.

Although nobody could

hope to please all of the artists

all of the time, Reid is cer-

tainly alienated a lost them-

and Hockney dared to say so.

Who are the front runners?

One is Alan Bowness, a senior member of Courtauld Institute staff.

"Inside" possibilities include Michael Compton, the Tate's keeper of modern art.

A dark horse, if she will forgive the expression, is critic Marina Vaizey—who refused to com-

ment when I asked her if she is in the race.

Amidst the speculation and dialectics, Reid will have his swansong in May when the Queen opens the Tate extension.

Considering all the delays over the air conditioning, which had to be replaced, he has just stayed on long enough for the occasion—he is likely to bow out in September.

A little extra

A cup of tea with several cubes of sugar might have seemed the best way to sweeten up the annual general meeting of Tate and Lyle yesterday. The final dividend was cut by 20 per cent, following a drop in pre-tax profits from £42.5m to £24.6m. The prospects for a recovery this year are said to be poor.

But the group chairman, Lord Jeffcoate, nonetheless decided to push the boat out. After some discussion, the Board had decided not to cut the traditional drinks at the end of the AGM. "The only way of securing an increase in dividend is to drink as much free champagne as possible," said one share-

holder, glass in hand.

Observer

Swindon offers you more room for improvement



For the brochure which is your Passport to Profit, contact: The Industrial Adviser, Thame Down Borough Council, Swindon SN1 2JH. Tel: 0793 26161 Telex: 44633.

SWINDON

Incentives no government can offer.

POLITICS TODAY

مکانیزم الاعمال

Passing the buck to the people

OVER THE LAST few years referendums have become part of our political way of life. There was the vote in Ulster on ties with the United Kingdom in 1973. There was the campaign to let the people decide on British membership of the European Communities in 1975. Not least, there was the debacle in Scotland last week.

More of the same are promised, or perhaps one should say threatened. The Northern Ireland (Border Poll) Act 1972 lays down that there should be a referendum on what Ulster thinks about belonging to the UK every ten years. Mrs. Margaret Thatcher, the leader of the Conservative Party, has suggested the possibility of a people's vote if there should be a major confrontation between Government and trades unions or, as she prefers to put it, "between the unions and the people." It is by no means inconceivable that within the next year or two, we shall be asked to vote on whether or not we wish to abolish the House of Lords.

In the background there is always the possibility of a referendum on capital, or even corporal punishment, or indeed on any subject under the sun. For all that has to happen to allow a referendum to take place is that a majority of the House of Commons should vote in favour of holding it.

Yet it is far from clear that, in the context of British politics, a referendum actually solves anything. The indecisive result in Scotland last week is the most obvious example, but there are others. The Ulster referendum in 1973 revealed no more than there was a split between Catholics and Protestants. There was a turn-out of 61 per cent. Nearly 800,000 of the electorate voted to maintain the links with the UK. Not many

more than 6,000 voted for union with the Irish Republic. There were 5,000 spoiled ballot papers. What the result simply showed was that the Catholics, on the whole, did not vote.

It is possible that the outcome of the next Ulster referendum—in 1983 or thereabouts—will be somewhat different. There might well be a swing towards Irish unification. But it is stretching the imagination to suggest that it will require a referendum to tell us. The trends, if they exist, will surely be observable beforehand.

In retrospect, even the result of the referendum on Europe was less conclusive than it seemed at the time. The turnout was around 65 per cent. Among those voting 67.2 per cent wanted to keep Britain in and 32.8 per cent wanted to get out. The overwhelming comment was that the issue had been solved for a generation.

On the day that the results were declared, Mr. Anthony Wedgwood-Benn, the Labour MP who had in many ways been the father of the referendum, made the following statement:

"I have just been in receipt of a very big message from the British people. I read it loud and clear... By an overwhelming majority the British people have voted to stay in and I am sure that everybody would want to accept that. That has been the principle of all of us who advocated the referendum."

It is less than obvious that that is what Mr. Benn thinks today, though to be fair he now says he believes the whole question of referendums should be reconsidered. Even if one takes the cynical view that the referendum on Europe was no more than a device to hold the Labour Party together, that did not succeed either. Nearly four years later the Party is more divided on Europe than ever.

One of the most interesting contributions came from Mrs. Thatcher when—with Labour

The only difference is that the pro-Europeans are being steadily outnumbered, which was not on any reading the point of the referendum.

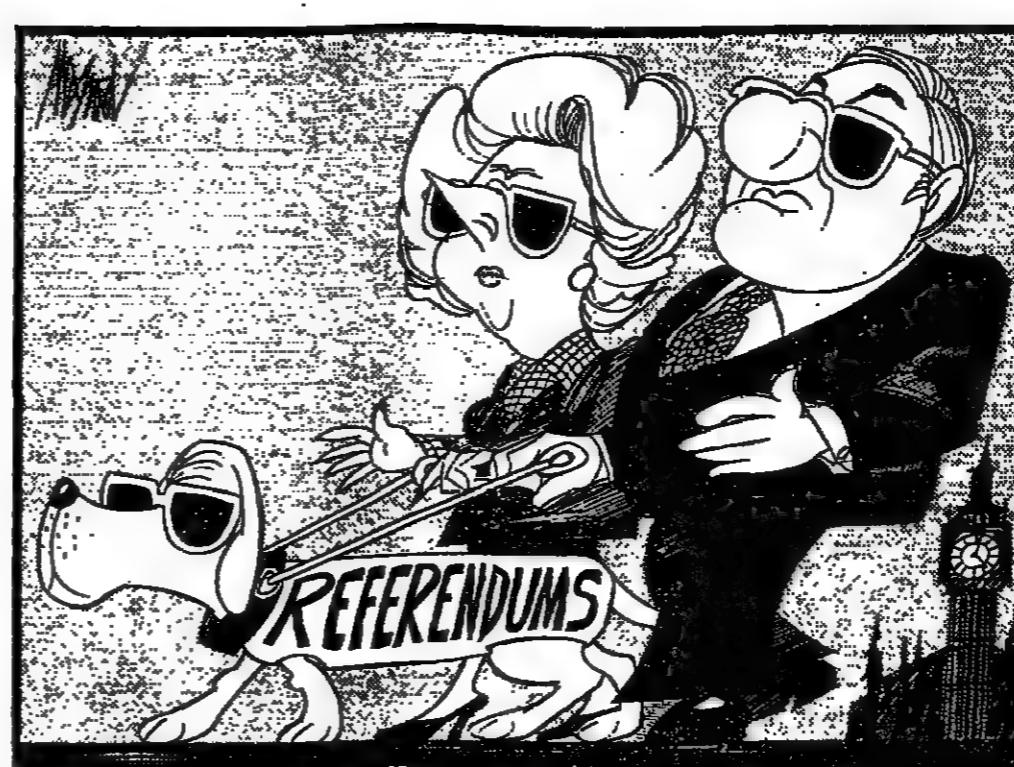
Yet if Mr. Benn was largely responsible for bringing the European referendum about, he had some distinguished predecessors. Calls for the introduction of the people's vote into British politics go back to the 1890s, and more often than not came from Conservatives. Dicey wanted one as an assurance against Irish home rule before the turn of the century. Ballou suggested a referendum on tariff reform in 1910 and indeed in the second general election of that year about one third of Unionist candidates put out election addresses proposing the use of the referendum to settle constitutional disputes.

Churchill thought that it would be a good idea to have a popular vote on the question of female suffrage. He returned to the idea as Prime Minister in 1945 when he proposed a referendum on prolonging the wartime government beyond the fall of Japan.

It was not until November 1970 that Mr. Benn called for a referendum on Europe in a letter to his constituents. Even then it was opposed by the bulk of the Labour Party, including the leadership. The idea only really got off the ground when Mr. Enoch Powell and the Conservative anti-Marketeer, Mr. Neil Marten, tabled an amendment to the European Communities Bill demanding that the people be consulted.

The Labour Shadow Cabinet swung round in support, though at the price of the resignations of Mr. Roy Jenkins, Mr. Harold Lever, and the then Mr. George Thomson.

One of the most interesting contributions came from Mrs. Thatcher when—with Labour



back in office—the referendum proposal was finally debated. It was her maiden speech as leader of the Tory Party and it demonstrated an unsuspected shrewdness to sit on the fence. Mrs. Thatcher was not entirely against referendums, but she was wary of the dangers. "The immediate point," she said, "may be to register a popular view towards staying in the EEC. The longer-term result will be to create a new method of validating laws. What one Minister has used as a tactical advantage on the one issue today, others will use for a referendum required a set of rules all of its own."

Yet it is precisely this question of the rules that has scarcely ever been discussed. Politicians and Governments have gone into referendums either blindly or with ulterior motives. Just as the vote on Europe may have been a device to hold the Labour Party together, so the referendums in Scotland and Wales can be seen as an attempt to keep the present government in power.

Mr. Michael Foot, the Leader of the House, originally opposed them on the perfectly reasonable grounds that devolution had already been the subject of widespread public debate and that the Government had a mandate to introduce it through its manifesto commitment. He changed his view when it became clear that the promise of referendums was the

only way of getting the legislation through the House of Commons.

The question of the size of the popular majority required to allow devolution to proceed came up almost only by accident. Certainly it was not at the Government's instigation. The 40 per cent rule was the last fling of the hard core dissidents. It was accepted by the Government on the now familiar grounds that it was the only way of passing the Scotland and Wales Acts and, incidentally, of remaining in power. But one cannot easily argue that there was a serious debate about the role of referendums in British politics in practice is that we make it up as we go along. The evidence that we do it well is beginning to fail.

Such proposals may be still inadequate. But unless something very like them is adopted, or at least seriously discussed, it will be difficult to escape the impression that what our unwritten constitution means in practice is that we make it up as we go along. The evidence that we do it well is beginning to fail.

Meanwhile, the Labour Party too might like to reflect on the words of Mr. Jenkins when he resigned as deputy leader in protest against the Party's accepting the idea of a referendum on Europe. "By this means," he wrote, "we should have forged a more powerful weapon against progressive legislation than anything we have known in this country since the curbing of the absolute power of the old House of Lords. Apart from the obvious example of capital punishment, I would nor in these circumstances fancy the chances to take a few random but important examples, of many measures to improve race relations, or to extend public ownership, or to advance the right of individual dissent, or to introduce the planning restraints which will become increasingly necessary if our society is to avoid strangling itself."

Malcolm Rutherford

The Referendum and the Constitution
Published by Conservative Central
Office, 32, Smith Square, London,
SW1.

Letters to the Editor

Parliament must decide

From Mr. A. Duff

Sir,—Having read your analysis of the devolution referendum (March 5), I am still confused. What really are we to conclude from the results? That the issues were bring or misunderstood or unpopular? For instance, we only need to know whether the results received a little public support (only 25 per cent of the Scots and Welsh electorate) because they devolved too many legal, administrative and economic powers, or too few. If the majority of the Scots and Welsh are neither nationalists nor unionists what are they? and how astonishing it is that the purportedly much-disliked EEC attracted far more of the votes in June, 1975 (Scotland 8 per cent, Wales 6 per cent) than the supposedly fashionable devolution measure. In March, 1979, 15 per cent and 20 per cent respectively).

The British experience of referendums is not very illuminating. In both cases (1975 and 1979) Parliament made up its mind first and only, then referred to the electorate—which might be thought to be doing things backwards. But in both cases the leadership of the political parties had been unable to prevent disunity within the ranks. This meant that the parties had insufficient political will to take a credible and sustained policy decision. Parliament was weak. The buck was passed to the people.

This time the people passed back. The electorate, with its collective wisdom, has refused to decide on Parliament's behalf. In 1975, when Parliament's action was supported by the referendum, the effect was to strengthen that Parliament, to boost the confidence of the Government, and to go some way to healing the divisions within the parties. Now Parliament's action has been rejected by referendum and the opposite has happened. The effect of this problem of legitimacy on our representative institutions is important and uncertain.

Rather than re-examine the devolution issue, the first task of a new constitutional conference should be to study the whole question of referendums. The conference should include Mr. Benn who thinks that referendums benefit the legislative process by enlarging the public's role, and many other prominent politicians—like Mr. Heath and Mr. Steel—who believe that Parliament itself can handle public sensibilities. Andrew Duff,

15, Mount Pleasant,

Cambridge.

Devolution defeated

From Mr. P. Mitchell

Sir,—It should be obvious to all that devolution for Scotland was defeated at the referendum poll.

To say that even a majority of one in favour of devolution should carry the day is ludicrous. To compare the referendum with a General Election is a nonsense. Parliament was most generous in allowing the 40 per cent rule. Even 51 per cent would have been generous, because as most of us know,

major constitutional changes usually demand a two-thirds majority.

The Scottish National Party and all concerned should remember that 67.1 per cent of Scotland's voters did not vote yes for devolution. Surely we deserve some consideration.

A considerable number of politicians cannot accept defeat gracefully and this, above all, perhaps, is what makes the public disillusioned with politicians and politicians.

Another lesson to be learned from the referendums is to listen to the demanding and vociferous minorities with more discrimination. Myself as a "no" voter almost did not bother to vote because I was almost sure, even despite the 40 per cent rule, that the "yes" vote would win.

If we can pause and think, I wonder what the result would have been if Mr. Callaghan and his Cabinet had been advising us to vote "no". Surely it would have meant a substantial "no" victory.

It is time to forget about devolution—and if Mr. Gordon Wilson is thinking about promoting independence for Scotland again as Ray Perman, your Scottish Correspondent, says (March 5), then Mr. Gordon Wilson should remember that "Cali' Kali het up" never was as good as the original. Mr. Wilson nevertheless is a good representative for Scotland.

Devolution for all parts of the UK might be better, but then federalism is not, exactly, a howling success in the UK. incidentally, it was once thought that regionalisation in the UK would at least help the economy by saving us some money. That turned out to be the joke of the century.

If we must have change, may I humbly suggest that Parliament discusses and considers at great length the best way to give us proportional representation. If it passes this as law, it will not be Utopia, but perhaps then we can concentrate on what is best for the country, and we can then look ourselves squarely in the face once again. Peter G. Mitchell,

Southside, Fife Street,
Keith, Banffshire.

Gerrymandering fiddle?

From Mr. R. Fleming

Sir,—"Diabolical," "A squall fiddle," "Gerrymandering." Was it? Parliament's stipulation that 40 per cent of the Scottish electorate must vote "Yes" if the Scotland Act was to proceed was no more than shorthand for saying: "We, the Union Parliament, are prepared—very reluctantly—to accede to Scottish demands for what may prove to be the first step in dissolving the Union, provided the people of Scotland indicate unequivocally that they really want us to. We are prepared to accept that they do if 6 (not 5) out of every 10 Scots voters turns out to vote, and if 4 (not 3) out of those 6 votes "Yes".

An ardent Scottish Nationalist friend, who subscribes to the "diabolical" view of that 40 per cent requirement, declared that it would have been fairer to require "two-thirds of those actually voting" to vote "Yes"—a common practice elsewhere for constitutional changes. In Scotland last week, where the actual turn-out was 63 per cent, that would have been generous, because as most of us know,

vote of 42 per cent, not 40 per cent, in other words, "40 per cent of the electorate" simply meant "a two-thirds majority" of a mere 60 per cent turn-out."

One other point has tended to be overlooked—namely the arithmetical fact that each 1 per cent drop in the Yes vote would close the gap between Yes and No by 2 per cent, not 1 per cent. In the event, it would have taken only one more person voting No instead of Yes out of every 100 entitled to vote (or 11 out of every 100 who actually did vote) for the Scottish result to have been a dead-heat.

R. F. Fleming,
28 Kenyon Road, W2

Not much of a welcome

From the Solicitor General for Scotland

Sir,—In the Parliamentary Report of March 7 you report me as admitting that the Banking Bill "had received a more 'neutered' welcome than had been anticipated." What a splendid insult that would have been to the distinguished noble Lords to whose telling speeches I had to reply: I wish I had thought of it! But I would not have dared to use it. Alas, all I could think of saying at the time was that the welcome was "muted." If I could have your correspondent's verbal imagination I'd be prepared to accept the hardness of hearing that appears to go with it.

McCluskey,

House of Lords, SW1.

Floating charges

From Mr. J. Penn

Sir,—I fear Mr. Brian O'Sullivan (March 5) may have misled your readers on the subject of floating charges. Mr. O'Sullivan makes reference to S.322 of the Companies Act, 1948, and states that subject to certain factors a floating charge created within 12 months of the commencement of a winding-up will be secured on any floating charge created within 12 months of the commencement of a winding-up. As to the balance of interest due (if any), the holder ranks as unsecured creditor.

James Penn,

Flat 3,

26 Guildford Road,

Surrey.

Paying the rates

From Mrs. C. Kirk

Sir,—Re Mr. Godden's letter of March 3, another aspect of "ability to pay" rating, is that it limits freedom of choice as to how one may dispose of one's own, net of income-tax, income. Surely choice is what democracy is about? Or a limited income I can now choose to live in a less "desirable" area, in order to be able to enjoy such adjuncts to life as entertaining

friends, concerts/theatre, holidays, even abroad, because I pay rates on the present system.

Rates based on "ability to pay" would deprive me of these assets, and the choice to thus save to provide them. A grander home where, current rates and "ability to pay" more nearly matched, would be no compensation for losing such things as make life worth living.

Mrs. C. Kirk,
134, Arundel Road,
Dorking, Surrey.

COST OF A CROWN

From Mr. J. Skuse

Sir,—Your item on dental charges in "Men and Matters" (February 27) is so lacking in depth of research and factual content that it gives a view of the dental profession which is not only inaccurate but also presented in a manner calculated to give the worst possible impression to the layman.

Your writer blithely opines on costs and fees relevant to crowning without giving any information relating to the different types of crowns and materials used in their construction. To quote a fee for a crown or material used is meaningless without specifying the type of crown or material used. By my calculation there are at least 15 different combinations of technique and material available for crowns at widely differing costs for which the laboratory of my choice would charge up to as much as £55 to £60.

While I can believe it is possible to have a crown constructed for £7.50, this could only be in the very cheapest plastic or porcelain and with an appearance and durability which may indeed be acceptable to someone somewhere, but not in London, WI.

Next time your "Man" seeks a "Matter" to comment on, he might start asking how, since one can buy a car for £30,000, Rolls-Royce can justify selling cars for £45,000. This is a ridiculous comparison, but well in line with Men and Matters' offering.

John K. Skuse,
53, Portland Place, WI.

Coal into oil

From Mr. H. West

Sir,—Announcements have been made by the National Coal Board of the allocation of funds to study the conversion of coal to synthetic crude oil. This is a fortunate decision although it may be argued that economics of the project are poor. The maximum yield of oil obtainable from one long ton of coal is about 4 x 35 gallon barrels and 5,500 cubic feet of hydrogen are consumed per barrel. At present coal and hydrogen prices, the cost per barrel of these two items alone would approach the current price of North Sea oil, but oil prices can keep on rising indefinitely and the life of our oil reserves is uncertain.

Thirteen years ago conversion processes were being worked on in the U.S. under the sponsorship of the Office of Coal Research, a section of the Department of the Interior. In 1968 three such processes were ready for pilot plant trials but

the results were disappointing. The cost of conversion was high and the quality of the resulting oil was poor. The project was abandoned.

There is a significant difference between the cost of conversion and the cost of producing oil from conventional sources. The cost of conversion is about 10 times the cost of producing oil from conventional sources.

There is a significant difference between the cost of conversion and the cost of producing oil from conventional sources. The cost of conversion is about 10 times the cost of producing oil from conventional sources.

There is a significant difference between the cost of conversion and the cost of producing oil from conventional sources. The cost of conversion is about 10 times the cost of producing oil from conventional sources.

There is a significant difference between the cost of conversion and the cost of producing oil from conventional sources. The cost of conversion is about 10 times the cost of producing oil from conventional sources.

There is a significant difference between the cost of conversion and the cost of producing oil from conventional sources. The cost of conversion is about 10 times the cost of producing oil from conventional sources.

There is a significant difference between the cost of conversion and the cost of producing oil from conventional sources. The cost of conversion is about 10 times the cost of producing oil from conventional sources.

There is a significant difference between the cost of conversion and the cost of producing oil from conventional sources. The cost of conversion is about 10 times the cost of producing oil from conventional sources.

Companies and Markets

Plessey at £33m after static third quarter

PRE-TAX profits of the Plessey Company rose 3.1 per cent to £32.9m in the nine months ended December 31, 1978, following third quarter profits of £9.8m against £9.7m. Sales for the nine months advanced from £44.6m to £46.8m.

The Garrard business, which is being reorganised internationally, continued to incur losses, which for the nine months now stand at £3.1m.

Earnings per 50p share are shown at 2.82p (2.59p) for the third quarter and 8.93p against 8.58p for nine months. The interim dividend is 2.662p—in 1977-78, the total was 5.38043p including a first interim of 0.4870p and a second interim of 2.42p.

Order books stand at a record £819m, over 20 per cent higher than a year ago. The rate of growth divides equally between home and overseas, the directors say.

At home, demand for private telecommunications systems

has continued to increase steadily and orders for public electronic exchanges have also increased during the quarter.

In the UK, the quarter's profits were reduced by some £300,000, mainly in the electronic systems businesses, due to internal labour unrest.

The Stronger production programme continues at a lower level of activity, due to changes in the British Post Office equipment policy. As a result, facilities at Edge Lane, Liverpool are under-utilised, and are incurring losses at the rate of £750,000 per month. Rationalisation measures have been taken to correct this position.

Overseas profit growth has not been fully reflected in the reported sterling profits. In local currency terms, profits earned overseas showed an improving trend during the quarter—December profits were up 14.5 per cent and profits for the nine months

were up 5.2 per cent over last year.

However, when translated to sterling at the rates of exchange ruling at December 31, 1978, pre-tax profits for the quarter have been reduced by £300,000 and by £1.1m in the nine months.

NET INCOME of the Royal Dutch/Shell Group of Companies in 1978 finished 21 per cent down at £1.09bn compared with £1.38bn in the previous year.

The share of the Royal Dutch Petroleum Company amounts to £600m (£287m) and the Shell Transport and Trading Company's share is £204m against £220m.

With special dividends of 26p against 23p and other items of £1m (same), Shell Transport's net income is £411m against £524m and stated earnings per 25p share are 74.34p (59.49p). A one-for-one scrip issue is also proposed.

The rate of return on average net assets was 14.1 per cent, against 19.7 per cent in 1977.

Adjusted for inflation on a current purchasing power basis, the 1978 rate of return was 3.3 per cent.

The decline in net income was mainly due to the FIFO method of stock accounting which is used by most Shell companies and which in 1978 had benefited the published results.

Other factors were higher FAS 8 currency translation losses, and a lower sterling contribution from Shell Oil Company of the U.S. and Shell Canada because of the weakening dollar.

Currency translation effects on stocks sold and monetary items calculated according to FAS 8, which continued to distort quarterly comparisons during the year, amounted to a loss of £108m in 1978 compared with a loss of £22m in 1977.

Net income for 1978 and 1977 includes the effect of modifications in accounting policies relating to exploration costs and lease capitalisations to conform with developments in U.S. generally accepted accounting principles. The restatement of 1977 for these changes increased net income by £37m, and 1978 net income by £39m.

The directors say that despite disappointing economic growth rates in many countries and continuing excess refining and tanker capacity, there was an improving trend during the second half from previously depressed oil trading conditions.

Shell Oil Company reports a 7 per cent increase in its dollar earnings over 1977, due to improved results from oil and natural gas production, and from increased sales volumes of refined products. Shell Canada's dollar earnings were down 20 per cent compared with 1977.

Turnover in the second half is expected to be similar to that of the first, with profits slightly in excess of those now reported. Profits for the last full year totalled £1.25m.

The directors explain that overall lower margins reflect larger than anticipated losses which continued in three subsidiaries, namely Hunt-West, Chemical and Thermal Controls and Canadian Faths.

Action has been taken to redress this situation and these losses are not expected to recur next year.

Turnover in the second half is expected to be similar to that of the first, with profits slightly in excess of those now reported. Profits for the last full year totalled £1.25m.

The directors report that orders and prospects remain encouraging.

The net interim dividend is stepped up from 0.325p to 0.3375p, or 3.8p per cent, in the next year or so. At the same time the group feels mainland Europe is another area where it can ultimately achieve better returns than in the UK. At 72p

Hunt & Moscrop decline

FOR the six months to December 31, 1978, turnover of Hunt and Moscrop (Middleton) rose from £16.6m to £10.68m but pre-tax profits fell from £690,000 to £664,000.

The directors explain that overall lower margins reflect larger than anticipated losses which continued in three subsidiaries, namely Hunt-West, Chemical and Thermal Controls and Canadian Faths.

Action has been taken to redress this situation and these losses are not expected to recur next year.

Turnover in the second half is expected to be similar to that of the first, with profits slightly in excess of those now reported. Profits for the last full year totalled £1.25m.

The directors report that orders and prospects remain encouraging.

The net interim dividend is stepped up from 0.325p to 0.3375p, or 3.8p per cent, in the next year or so. At the same time the group feels mainland

Europe is another area where it can ultimately achieve better returns than in the UK. At 72p

TDG advances to £19.79m but cautious on current trading

TAXABLE PROFITS of Transport Development Group advanced from £17.03m to £19.79m in 1978, on higher turnover of £19.45m against £19.82m.

The directors say prospects after a severe winter and the road haulage strike are hardly likely to be optimistic. The profits of February have not equalised the losses of January.

Fixed assets totalled £12.65m, against £9.8m, while net current assets were down from £5.29m to £5.27m.

• comment

TDG's results are much in line with market predictions and the optimistic noises about current trading will give further satisfaction to followers of the shares. The big question, however, is how long the present level of activity can be sustained and at best investors can expect the same again in the current year. Looking further ahead future growth will almost certainly depend on overseas activities and in particular the storage side. Last year road haulage held up well while storage in the second half stood still; the emphasis of the group's investment strategy, however, is firmly on developing the storage interests.

Meanwhile Australian operations are currently suffering from a competitive road haulage industry and a dull economy—but this looks set to pick up in the next year or so. At the same time the group feels mainland Europe is another area where it can ultimately achieve better returns than in the UK. At 72p

the shares seem fairly rated on a P/E of 9.3 and are well supported by a yield of 7.7 per cent.

FOR the six months to December 31, 1978, turnover of Hunt and Moscrop (Middleton) rose from £16.6m to £10.68m but pre-tax profits fell from £690,000 to £664,000.

The directors explain that overall lower margins reflect larger than anticipated losses which continued in three subsidiaries, namely Hunt-West, Chemical and Thermal Controls and Canadian Faths.

Action has been taken to redress this situation and these losses are not expected to recur next year.

Turnover in the second half is expected to be similar to that of the first, with profits slightly in excess of those now reported. Profits for the last full year totalled £1.25m.

The directors report that orders and prospects remain encouraging.

The net interim dividend is stepped up from 0.325p to 0.3375p, or 3.8p per cent, in the next year or so. At the same time the group feels mainland

Europe is another area where it can ultimately achieve better returns than in the UK. At 72p

also benefited from increased sales of higher-value white products.

In cash terms, dividends for

1978 received or receivable

from Royal Dutch/Shell

amounted to the equivalent of

£2.765p per share, or 15.227p

per share above the maximum

permitted for distribution, now

prohibited. This excess, together

with postponed group dividends

for previous years, amounts to

£1.355p per share and will be

available for distribution in due

course.

NET INCOME of the Royal

Dutch/Shell Group of Companies

in 1978 finished 21 per cent down

at £1.09bn compared with £1.38bn

in the previous year.

The share of the Royal Dutch

Petroleum Company amounts to

£600m (£287m) and the Shell

Transport and Trading Company's

share is £204m against £220m

against £220m.

With special dividends of 26p

against 23p and other items of

£1m (same), Shell Transport's

net income is £411m against £524m

and stated earnings per 25p share

are 74.34p (59.49p). A one-for-one

scrip issue is also proposed.

The rate of return on average

net assets was 14.1 per cent,

against 19.7 per cent in 1977.

Adjusted for inflation on a

current purchasing power basis,

the 1978 rate of return was 3.3 per

cent.

The decline in net income was

mainly due to the FIFO method

of stock accounting which is used

by most Shell companies and

which in 1978 had benefited the

published results.

Other factors were higher

FAS 8 currency translation

losses, and a lower sterling

contribution from Shell Oil

Company of the U.S. and Shell

Canada because of the weakening

dollar.

Currency translation effects on

stocks sold and monetary items

calculated according to FAS 8,

which continued to distort

quarterly comparisons during the

year, amounted to a loss of

£108m in 1978 compared with a

loss of £22m in 1977.

Net income for 1978 and 1977

includes the effect of modifications

in accounting policies relating to

exploration costs and lease cap-

italisations to conform with de-

velopments in U.S. generally ac-

cepted accounting principles.

The restatement of 1977 for these changes increased net income by £37m, and 1978 net income by £39m.

The directors say that despite

disappointing economic growth

rates in many countries and

continuing excess refining and

tanker capacity, there was an

improving trend during the sec-

ond half from previously depre-

ssed oil trading conditions.

Long-term debt, including

capitalised lease obligations,

represented 26.2 per cent of total

capital employed compared with

26.8 per cent at the end of

1977. On a current purchasing

power basis the ratio would be

18.3 per cent. Cash and short-term

securities at the end of 1978 were £2.34m (£2.16m).

Shell is paying a final dividend of 6.988p making a maximum permitted total of 17.536p compared with 15.805p. The dividend total at Royal Dutch is main-

tained at FIs 10.75 with an unchangeable final of FIs 8.75.

In cash terms, dividends for

1978 received or receivable

from Royal Dutch/Shell

amounted to the equivalent of

AMCOAL

Extracts from the review by the Chairman, Mr. W. G. Boustred.

The profit attributable to Amcoal shareholders for 1978 showed a significant improvement over that earned in 1977. The results of both the mining and industrial companies were better than those originally anticipated due to management's ability in containing working costs below budgeted levels and to the success of the marketing divisions in achieving higher than forecast sales.

Turnover increased by 19.0 per cent to £308.4 million and the operating profit of £92.4 million was 16.9 per cent higher than that for the previous year. The profit after providing £30.4 million for taxation was £57.2 million, a 14.3 per cent improvement on the £50.1 million earned in 1977.

After deducting £4,492,000 for minority interests the profit attributable to Amcoal shareholders was £52,728,000 representing 22.5 cents a share, 11.5 per cent higher than the 20.1 cents a share earned in 1977. Out of these earnings dividends totalling 72 cents a share (1977: 60 cents) have been declared, absorbing £16,914,000.

Coal mining activities

In the Group's coal mining operations further progress was achieved with both turnover and profits showing satisfactory increases. The year saw the bringing into production on December 1 of the Kleinkopje mining project, which was an important achievement as the decision to proceed with this project was taken only two years earlier.

Perhaps the most noteworthy achievement of the coal mining division during the year was the success of the operating collieries in holding working cost increases per ton to an average of 9.5 per cent. This was lower than the 11 per cent forecast in last year's review and substantially lower than the increase of 19.6 per cent experienced in 1977.

Group sales of coal and coke for the year under review totalled 36.7 million tons, which was 3.9 per cent higher than the 35.7 million tons sold in 1977 and represented approximately 30 per cent of total South African coal sales.

Exports and domestic trade

During the year the Group's Bank, Landau and Kleinkopje collieries which participated in the TCOA export programme rallied a total of 4.9 million tons to Richards Bay which was some 48 per cent of the TCOA's 1978 export tonnage. Most of this coal came from Bank and Landau, although certain of Kleinkopje's initial production was exported in the last quarter. The rapid loading terminal at Landau owned jointly by Landau and Greenside colliery is the largest and most sophisticated inland facility in the export programme and its stockholding capabilities of this terminal provided important flexibility when problems were experienced at Richards Bay in the latter part of the year. Exports of steam coal on Amcoal's own account to Shell Coal South Africa commenced early in the current year and are proceeding according to schedule.

Coal reserves

Amcoal further improved its strong coal reserve position. Proven reserves owned and available for exploitation were increased during 1978 by some 200 million to 6.6 billion run-of-mine tons. Additional options over 19,000 hectares were acquired and this, coupled with the successful conclusion of the exploration drilling programmes and reserve evaluations, resulted in considerable further progress toward the Anglo American Corporation Group's target of securing in excess of nine billion run-of-mine tons of proven coal reserves in consolidated coalfields. It is intended that rights to a further one billion run-of-mine tons be purchased in 1979.

Financial policy

During 1978 the first drawings were made against Amcoal's £50 million loan facility with Anglo American Corporation of South Africa Limited. The maximum amount drawn during the year was £9.6 million while borrowings on this account at the year end stood at £12.2 million. Amcoal's use of this important loan facility has been much less than was estimated when it was raised during 1976, largely because higher operating profits have been earned than were then forecast while working capital requirements have been lower than were estimated. However, there is no doubt that this facility has given us the financial backing necessary to proceed with confidence on Amcoal's large investments in Kleinkopje and Kriel.

Some 80 per cent of the coal mined at Group collieries is now won by mechanised mining methods; this proportion will increase further

Anglo American Coal Corporation Limited

(Incorporated in the Republic of South Africa)

The 20th annual general meeting of Anglo American Coal Corporation will be held in Johannesburg on April 5th, 1979. Copies of this review and of the annual report are obtainable from the London office of the company at 40, Holborn Viaduct, EC1P 1AJ, or from the transfer secretaries Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.



CORAH

Results of Corah Limited for the year ended 29th December, 1978, subject to audit

	1978	1977
Sales	£36,635,000	£33,135,000
Profit before Taxation	£3,530,000	£3,315,000
Taxation	£835,000	£1,166,000
Preference Dividend	£2,695,000	£2,149,000
Available for Ordinary Shareholders	£14,000	£14,000
Earnings per share (net)	9.1p	7.3p

Highlights from Preliminary Announcement

- * Sales increased by £3,500,000 to £36,635,000.
- * Record profits of £3,530,000 achieved.
- * Direct exports increased by 30%.
- * Capital investment totalled £1,199,000, including an additional factory, compared with £646,000 in the previous year.
- * A final dividend of 1.17p per share net recommended, making a total distribution of 2.07p per share net, compared with 1.8513p per share net for 1977.

Corah Limited, Burleys Way, Leicester

Companies
and Markets

UK COMPANY NEWS

REPORTS TO MEETINGS

Tate & Lyle warns of more refining cuts

BY TERRY OGG

FURTHER CUTS

May have to be made by Tate & Lyle, the troubled sugar group, in its UK refining capacity unless it can win support for the elimination of the price disadvantage which cane sugar suffers under the Common Market sugar regime.

Addressing shareholders at yesterday's annual meeting in London, the company's chairman emphasised "how essential it is for us that in our traditional UK sugar refining business demand and capacity should be brought into balance."

"Let me give you one vital statistic. Every 100,000 tonnes of surplus capacity means the loss of the order of 25m of our profits."

After the meeting he said it was too early to say that the company would be forced into cuts. The preliminary rounds of negotiations with the EEC on a new sugar regime are currently underway in Brussels and, in the year end, full details will have been worked out.

The company currently has

capacity for around 1.43m tonnes and is producing 1.35m tonnes. "If we reduce capacity further we will be moving very close to the 1.25m tonnes base agreed with the African, Caribbean and Pacific countries under the London Convention," Lord Jellicoe said.

He welcomed the statement in

the Government's recent White Paper on Farming and the Nation that it attaches the highest importance to the EEC's continuing London Convention commitments for the import of cane sugar from the developing countries.

problems," the chairman said. Turning to the outlook for the current year he said that "it will be a hard struggle" to maintain, let alone improve on, last year's result. "We are faced with a situation where the current year is proving difficult but that the second half" should show an improvement."

"Tate and Lyle is at, or very near, the bottom of its recession," Lord Jellicoe said.

"Nevertheless it is evident that on any account 1979 will be hard going."

He said profits from the commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

On the dividend front he said that one of the main considerations in last year's decision had been the desire to establish a "baseline" for dividends from which we could be confident of being able to move upwards."

He adds profits from the

commodity trading activities would be "significantly lower than the extraordinarily good ones" last year. The present performance in molasses "reflect a satisfactory pattern of growth."

Lake
7,000

UK COMPANY NEWS

MINING NEWS

Amcoal is heading for another good year

BY KENNETH MARSTON, MINING EDITOR

FRESE increase in earnings is set to rise this year for the South African Anglo-American Corporation group's Anglo American Corporation. The chairman, Graham Bousted, points in Amcoal's 1978 annual report that both the group's coal and industrial interests are having a good year, "and I am confident that Amcoal's profits will be at a higher level than 1978."

last year Amcoal lifted profits a better than expected 11.4 cent in R52.7m (£30.9m) despite continued weakness in South African domestic market. But the group's collieries held their cost increases to a creditable average of 7 per cent against South Africa's inflation rate of 11.6 per cent.

be export demand for South African coal continued to rise, big Richards Bay Coal Terminal achieved a throughput of 10 million tonnes for the year and is anticipated that by this

month its design capacity of 12 million tonnes a year will have been increased to 20 million tonnes.

Comment

Amcoal's coal sales last year realised an average price of only R6.65 (£5) per tonne, compared with R7.70 in 1977. The better average price resulted from higher sales in the much more profitable export market. Amcoal, like the other South African coal producers, is eagerly looking for further export opportunities for the alternative energy fuel, especially in the light of the continuing oil crisis, that has not been helped by the events in Iran. The vital Richards Bay export route for South African coal is expected to be fully stretched this year and its expansion now being studied will offer Amcoal the opportunity to raise its exports from 4.5m tonnes last year by a further 4m tonnes.

Mr. Bousted warns, however, that the capital cost of new coal

mining capacity has risen and that while coal is establishing a renewed position as a major fuel for the growth of electrically demand in the developing countries, environmental and other difficulties have delayed the new coal-fired power stations with the result that coal supply has exceeded present demand. Even so, Amcoal should still come right in the long term; the group's coal reserves now amount to an awesome 6.6bn tonnes and with the additional options secured over 19,000 hectares of land, the target is in excess of 9bn tonnes. Eventually, Amcoal could be mining around 100m tonnes of coal a year (the forecast increased output for 1979 is over 30m tonnes). But Amcoal shares, now yielding less than 5 per cent, are demanding a good deal of faith in the future of South Africa and also in that for the prospects for coal in the unfathomable interim period before the advent of adequate nuclear power.

Canadian tax reform urged

A CANADIAN mining industry's plea for changes in the provincial taxation structure have been reinforced by a study, published yesterday, which argues that damage is being done to the industry and that taxation policy is a "very it instrument".

the study, by Professor Brian Kenzie and Assistant Prof. Michael Blodget, was re-drafted by the Centre for Resource Studies at Queen's University, Kingston, and is based on an analysis of 134 base metal deposits discovered in Canada between 1951 and 1974.

The authors say that the rules of taxation, which are harmful in Manitoba and British Columbia, are to inhibit investment and to reduce the initial benefit to society from the creation of new independent junior exploration companies suffer most from the tax system, as special allowances place larger companies in a more favourable tax position. Junior companies have no existing income, the study points out.

a difficulty, according to the study, is that the level of taxation is not related to the ability to pay. The system ignores geological environment and is the more damaging the more it is of inflation.

to expand annual ore production to 350,000 tonnes from the present capacity of 300,000 tonnes.

Renison is a directly owned subsidiary of Consolidated Gold Fields Australia, which is 70 per cent owned by London's Consolidated Gold Fields.

The expansion programme, which is scheduled for completion by late 1980, will cost approximately A\$18m (£10m) and will be funded from the company's own financial resources.

The programme is primarily concerned with the expansion of the concentrator itself, but will also include increasing mining and service facilities and the provision of additional housing and associated infrastructure in Zeehan, Tasmania.

In 1978 Renison milled 590,119 tonnes of ore to produce 5,363 tonnes of tin metal in concentrates. The recent strong profit performance by Renison was a major factor in the much improved results announced last week by Gold Fields Australia, which lifted half-year net profits to A\$4.85m from A\$2.79m a year ago.

Expansion for Renison tin

Australia's premier tin producer, Renison, the world's largest underground tin mine, is

Goode Durrant expands in second half

THE RECOVERY, reported at halfway by Goode Durrant and Murray group, the international finance operation, continued strongly in the second half of the year to October 31, 1978.

The company made a year-end taxable profit of £900,000, compared with a loss of £6.6m. At midway it staged a turnaround from a £608,000 loss to a pre-tax profit of £286,000.

The dividend is doubled from 0.125p net per 5p to 0.25p, and stated earnings per share are 2.2c, compared with a 1.13p loss.

The improvement in profits was made on turnover down from £74.32m to £50.45m, and follows the re-shaping of the UK businesses which the directors said was beginning to show results at halfway.

The loss for the whole of last year was almost entirely accounted for by the building company Rawlings Bros, which now a wholly-owned subsidiary, Rawlings made a loss before tax of £4,628,000 following a substantial write down of the value of development land and a trading loss. At halfway the subsidiary's deficit had been reduced from £331,000 to £35,000.

At halfway the group directors said they viewed the group's prospects for the remainder of the year with confidence.

For the period under review tax takes £245,000, against

£22,000. There is an extraordinary debit of £192,000 (£136,000) and minorities of £30,000, compared with a credit of £1.62m. Dividends absorb £77,000 (£47,000).

A SECOND half profit of £2.41m against £1.89m at W. N. Sharpe Holdings, fine art publisher, has lifted taxable profits for 1978 from £2.67m to a record £3.7m.

Turnover was up from £3.94m to £1.59m and profit figure included £443,167 (£382,883) gross investment income, and £94,088 (£80,731) surplus on realisations of securities.

The charge took £1.87m against £1.41m and the balance was boosted by a £292,360 extraordinary credit, represented by profit on disposal of investments, less tax.

Earnings are shown as 25.6p (20.5p) per 25p share and the dividend is lifted to 4.50p (3.345p) net with a final payment of 2.75p. The directors say the total is higher than forecast having regard to year's results.

W. Sharpe at record £3.7m

A

PRE-TAX PROFITS of Staffordshire Potteries (Holdings) rose from £409,000 to £465,000 in the six months to December 31, 1978, on turnover up from £5.08m to £5.76m.

Staffordshire Potteries (Holdings) Limited

Interim Statement

UK COMPANY NEWS

BIDS AND DEALS

Cannon Assurance sold to Inchcape U.S. Canadian group for £9.6m. acquisition

BY ERIC SHORT

Keyser Ullmann Holdings is selling Cannon Assurance for £9.6m cash to Inland Financial Company, the insurance division of the Cascade Group based in Calgary, Alberta, Canada.

Cannon Assurance, as International Life Insurance (UK), was the UK member of Mr. Berndt Cornfield's empire-Investors' Overseas Services. Control of ILI was acquired in 1972 by Keyser Ullmann, with a smaller stake being purchased by Terry Mc. Mr. Edward du Cann, who was then Keyser's chairman.

Protracted litigation followed between the 10% liquidators,

Keyser Ullmann and Mr. du Cann in which settlement was reached last May. Once this litigation was out of the way, Keyser's had the choice of

either to acquire the minority

shareholding (it owns 56 per cent of the shares) or selling Cannon and using the proceeds elsewhere.

Mr. Derek Wilde, the chairman of Keyser, said that it would have cost £2m to have acquired the outstanding shares and this would have meant about one quarter of Keyser's capital £10m out of £40m would be locked in a company not engaged in banking. The sale of Cannon was in line with group policy to concentrate on developing its banking operations.

Keyser will receive £6.34m for its shareholding, compared with the cost of investment of £2.6m. It is already negotiating for a small bank in France—Involving an outlay of between £2m and £3m. It had plans for expansion in other overseas countries as well as in the UK.

Mr. du Cann, who holds 15 per cent of the equity of Cannon, will receive £1.4m from the sale—a profit of about £1m on which he will pay Capital Gains Tax. Keyser, because of accumulated losses do not expect to pay any substantial CGT. Most of the other shares are held by a group

of private American investors including Mr. John Templeton and Mr. George Delacour. They have accepted the offer.

Cannon Assurance specialises in the unit-linked assurance field, in which it was a pioneer. Its marketing efforts are devoted primarily to direct sales, with insurance brokers only supplying a minor share of the business.

At the end of 1977, its life fund was £129m.

The Cascade Group was founded by Mr. Alan Graham Scottson, by birth about 20 years ago. Its interests originally were property development and ownership—it developed the largest chain of senior care nursing homes in Alberta. Since the early 1970s it has concentrated on finance and insurance.

Cascade has total assets of £852m and an operating surplus of £563.5m. The projected after-tax profit for 1979 is £22m. Mr. Graham says he does not expect to make any management or staff changes. Mr. du Cann continues as chairman, and Mr. Richard Ellis as chief executive.

Two Cascade appointees will be joining an enlarged board. Mr. Graham regarded the purchase of Cannon as a base in the UK from which to develop further.

KPS LAND ACQUISITION AGREED

Plantation Holdings has agreed with Kumpulan Peranginan Selangor Bhd—owned by the State Government of Selangor—that KPS has the right to acquire land on the Brooklands Estate at a fixed price of M\$4,000 per acre.

An agreement of this sort

has been forecast by Plantation Holdings.

KPS will take land which is

an area amounting to not more than 4,200 acres out of a total of 5,761

planted acres. The land will be

acquired in tranches as and when

needed. The initial land will be

required in some two years' time.

The palm oil mill and latex

processing factory on the estate

will not be affected.

As a result of this agreement

the gazetting order on

Brooklands Estate will be withdrawn.

TARMAC

Tarmac has required Mountain Limestone and Halton East Quarries in a deal worth £1.2m. The companies operate a quarry in North Yorkshire and a coated roadstone processing plant on an adjacent site.

Under the terms of the deal Tarmac is to pay £800,000 in cash with the balance of the purchase price to be met in a year's time through the issue of Tarmac shares.

According to Tarmac the two companies utilise assets of £800,000.

AS

PART

OF

ITS

policy

to

expand

its

operations

in

the

U.S.

Inchcape, the British-based international trading conglomerate, has bought an 80 per cent shareholding in Marshall International Trading Company Inc of Chicago, Illinois.

recently

improved

trading

prospects.

This

is

our

final

offer.

It

will

not

be

increased.

recently improved trading prospects. This is our final offer. It will not further be increased.

JRT URGES ACCEPTANCE OF ARMITAGE MERGER

The bitter takeover bid by Norcross, the diversified industrial group which owns Hygena furniture, for H. and R. Johnson-Richards Tiles continued yesterday with Johnson-Richards urging its shareholders to accept its own merger plan with Armitage Shanks.

Johnson-Richards shareholders are told that forms of acceptance for the Johnson-Armitage merger are due by March 12, not later than 3 pm.

Mr. J. Alec Done, chairman of Johnson-Richards, warns shareholders that they would lose the higher income available from Johnson-Armitage, which has exemption for two years from dividend control, if Norcross were to be a misfortune to acquire Johnson-Richards.

"As set out in my letter of

March 2, this income for the coming year will be 17½ per cent higher than would be available from Norcross—even if Norcross were to raise its dividend by a further 10 per cent for the year."

Johnson-Richards also revealed yesterday that it would appear that in the past 17 days, unpledged public shareholders representing 0.6 per cent of Johnson-Richards shares, have accepted the Norcross offer.

Sime Darby Holdings has written to Guthrie Corporation shareholders urging them to accept the group's latest offer.

Sime is bidding 860p cash plus three of its shares for every two Guthrie shares—with an alternative all-cash offer of 523p a share.

Tan Siew Sin, the groups chairman, said "...that the increased offer gave full recognition of Guthrie's assets and

the group's profitable interests in electrical components.

GULLIVER HOTELS

Gulliver Hotels has acquired the Swan Hotel, Streatley-on-Thames, Berkshire. Gulliver already owns The Watermill Hotel and White Horse Inn, Bourne End, near Hemel Hempstead.

NO PROBE

The proposed merger between Hawker Siddeley Group and Westinghouse Brake and Signal is not being referred to the Monopolies and Mergers Commission.

Donald Macpherson Group Limited



"We all know that in business, sometimes the ball runs for you and sometimes against you. This year there is no denying that we had our fair share of the breaks. Yet it is only four years ago in 1974 that Donald Macpherson had sales of £25 million and produced pre-tax profits of £1.7 million. In the year to October 1978 the Group achieved sales of £65.5 million and produced record profits of over £4 million. During the same four years, earnings per share have increased from 7.5p to 12.9p.

Copies of the Annual Report can be obtained from the Secretary, Donald Macpherson Group Ltd., Three Quays, Tower Hill, London EC3R 6EL.

INTERNATIONAL COMPANIES and FINANCE

Profit and dividend growth at Veba

By Our Bonn Staff

Veba, the West German energy chemicals group, is doubling its dividend to DM 6 per share, showing an increase in after-tax profits to DM 176m (\$95m) up from DM 70m in 1977. The dividend will include a special DM 1 per share bonus to mark the group's 50th anniversary, and will give shareholders a dividend in West Germany, DM 38 per share, including a 10 cent dividend compared to DM 46.90 in 1977.

In an interim report, Veba said out that last year's improvement had taken place after the unusually difficult conditions of 1977. The most important single factor had been the lower prices Veba had paid in 1978 for crude oil, while participation through its 10 per cent subsidiary Demex in the Thilse field in the North brought in an additional 6,000 tonnes of its own.

As a result, the oil, natural gas and petrochemical sales of a group rose by 21 per cent to DM 11.9bn, slightly ahead of trading activities at DM 12.2bn. Total group sales last year were up by 13.5 per cent to DM 31.05bn. Before consolidation of Chemische Werke Veba, the increase was 6.2 per cent. Veba has carried out a reorganisation of its chemical interests, passing to Eutels all its petrochemical activities, these remain with the former Ba-Chemie, now renamed Ba-Oel, and including all the group's oil interests.

In an interview with the weekly "Die Zeit," Herr von Bennigsen-Feuerer, Veba chairman, said that the way open for Veba's change of interests with Deutsche BP, the Veba group "is coming along very far" towards its goal of reconstructing its oil interests. The 1,800m proceeds from the sale of Veba's 25 per cent holding in Ruhrgas would be used for the further strengthening of its crude oil supply base. Investments by the group last year, up from DM 1.7bn to 1.8bn, were heavily concentrated on electric power generating, an area where up sales rose by 7.3 per cent to DM 5.4bn.

Novo falls short of forecast

Andrew Fisher

VO INDUSTRIE, the Danish pharmaceutical and biochemical company which obtained a listed share listing last October, failed to meet its sales profit forecasts for 1978 as result of adverse currency movements.

At the pre-tax level, profits slipped to DKK 97m (\$18.7m) in DKK 103m, thus falling outside the DKK 105-115m range dictated last September. Sales at DKK 939m against DKK 864m in 1977, were below forecast figure of DKK 956m. Novo, the largest producer of industrial enzymes in the world, over half of the world market, and the second majorulin producer, behind America's Eli Lilly, managed a slight gain in profits at the net of DKK 75m from DKK 73m, previously stated. The dividend will rise from 8 per cent to 10 per cent on the quoted shares.

The company said yesterday it exchange rates had changed since the September forecast, cutting the value of es - and thus the income assured in kroner by some 15%. With foreign sales rising up 36 per cent of the total, Novo is particularly vulnerable to exchange rate movements. Novo's revenues are split more or less equally between industrial enzymes, where it dominates its share of the major S. market to be some 70 per cent, and pharmaceuticals, including highly purified insulin. On the enzyme side, the company is looking at the possibility of setting up a plant in Japan, where it is currently associated with Mitsubishi, and possibly the Philippines in conjunction with West German group. Novo is involved in Brazilian efforts to produce more fuel alcohol from starch.

The company has made no forecasts for 1979, but generally expects future growth in sales and profits of some 15 per cent.

AEG-Telefunken sees 1979 recovery

By ADRIAN DICKS IN BONN

AEG - TELEFUNKEN, the troubled West German electrical giant, made a loss of DM 350m in December of resuming operations after the mid-point of the year. The company has paid none DM 300-400m forecast by the chairman, Herr Walter Cipa, last December.

For the current year, the Board told shareholders in an interim report yesterday, AEG-Telefunken will once again be heavily weighed down by the structural measures through which alone any enduring stabilisation of profits can be reached.

The letter concluded with the forecast that 1979 would prove a better year than 1978, but also warned shareholders that the considerable setbacks suffered in most export markets last year could not easily be

overcome. The report did not refer to the goal set by Herr Cipa in December of resuming the purpose to reserves.

Total sales last year were at DM 14.1bn a little below expectations, and would have been 4 per cent lower without the new consolidation of Hartmann and Braun, from last year. Despite gains in some major domestic markets, there were also disappointments in such customer industries as power generation and distribution and consumer durables.

In the last-named, AEG-Telefunken was one again hit hard by the rise of the Deutsche Mark, both through a higher level of imports into Germany from Eastern Europe and the Far East, and by increasingly difficult export conditions. A similar pattern prevailed at Olympia-Werke, the group's

typewriter and office machinery subsidiary whose possible sale is discussed earlier this year with French and Swiss interests.

Overall, the group's exports fell for the first time in 15 years, and accounted for only 48 per cent of turnover compared to 49 per cent in 1977.

The combination of moderate economic growth and foreign exchange market difficulties appears to have hit the group in virtually every one of its major product areas.

Investment, nonetheless, was up by 32 per cent from 1977, while spending on research and development rose by 7 per cent to DM 910m as evidence of the group's belief that this is indispensable to AEG-Telefunken's future.

Sharp advance at Total group

By TERRY DODSWORTH IN PARIS

COMPAGNIE FRANCAISE des Petroles, the parent organisation for the French oil group Total, showed a marked improvement in profits last year following a recovery in its refinery and distribution interests. But CFP stressed yesterday that its results would have been better if the refinery activities, which lost money in the first three-quarters of 1978, had returned to full health.

The parent company also suffered from the volatility of the money markets. It lost money on the exchange markets through both its dollar loans and long-term borrowings in Swiss francs and Deutsche Marks. Provisions for losses on the exchange rates came to FF 117m (£27.2m).

Despite these problem areas, however, profits went up by 33 per cent to FF 265m (£61.9m) against FF 201m in 1977. This improvement will be followed by an increase in dividends to FF 10 a share net of taxes against FF 8.40 last year.

Group Total, the operating company, is estimated to have achieved a substantial improvement in cash-flow last year, from FF 2.9bn to FF 3.2bn. Consolidated profits should also improve compared with 1977, when the group made FF 260m.

The accounts of Total's refinery subsidiary show that profits - albeit marginal - have been achieved despite a decline in refinery activity. Crude oil treatment declined by 2.9 per cent from 29.9m tonnes to 28.5m tonnes. Overall product sales went up from 27.3m tonnes to 28.5m tonnes, an increase of 1.8 per cent which was reflected in the small turnover growth of 1.4 per cent to FF 17.7bn.

Cash-flow went up from FF 386m in 1977 to FF 522m, but investments were down to FF 448m against FF 624m.

Profits came out at FF 56.9m, which follows two years of almost break-even. Total said that this figure was reached after a FF 50m provision against currency fluctuations.

The company, which is 35 per cent state owned, adds that the improvement in its results is due essentially to the increase in prices which it was able to make in the last quarter of the financial year.

Meanwhile Usinor, the largest of the French steel groups created under the government-backed re-organisation plan eight months ago, expects to lose FF 180m this year (£23.3m). This compares with a loss of FF 128m in 1978.

In talks with the unions about the restructuring programme, Usinor has stressed that it aims to reach financial stability again in 1980-81. Up to the end of this period it will be investing at the rate of about FF 600m a year.

Usinor's losses compared with a deficit last year of FF 180m at Saclier-Sollac, the second largest of the steel companies. Saclier expects to cut this figure this year, however, to FF 500m.

SCA earnings better than expected

By Our Stockholm Staff

SVERIGE KULLOSA (SCA), the Swedish forest products conglomerate, reported a 1978 profit before taxes, allocations and extraordinary items of SKr 273m (\$62.52), down 19 per cent from SKr 337m the previous year. This was about the level predicted in the eight-month report.

Turnover rose 11.5 per cent to SKr 3.13bn (£81.88m). The board proposes to raise the dividend by SKr 1 to SKr 12 per share and recommends a split which would halve the nominal value of shares to SKr 50.

Theoretical earnings per share dropped by SKr 3 to SKr 26 or better than the 26 per cent predicted in the eight-month report. Group operating profit declined from SKr 335m in 1977 to SKr 307m last year.

SCA said in its preliminary report that a large increase in the volume of sales for most of its forest industry products compensated only partially for the decline in average prices for all items except printing paper during 1978.

The group's forestry and forest product sector thus saw its operating profit more than halved from SKr 202m to SKr 90m.

At the same time, SCA's hydro-electric power company Baakab nearly doubled its operating profit from SKr 67m in 1977 to SKr 125m due to increased water supplies in Swedish rivers and the resulting rise in delivery of electricity to customers.

The Moclycke paper, Hospital supply and consumer goods company contributed SKr 88m to last year's SCA operating profit, against SKr 45m in 1977. The group attributed this improvement to a new sales strategy in Western Europe including licensing agreements with French and British companies.

Operating profit for the Sunds group, which makes machinery for the forestry, steel and plastic industries, showed zero growth during the final four months of 1978 and totalled SKr 12m for the year, against SKr 25m in 1977. Earnings of SCA's packaging companies also declined slightly, mainly due to lower profits by the group's French and West German corrugated board factories.

SCA predicted better earnings for the group as a whole in 1979 than last year but cautioned that there were many risk factors such as the oil situation which could affect operations.

The group's preliminary earnings statement for 1978 lists no extraordinary items, whereas in 1977 there were extraordinary losses of SKr 37m. Earnings last year included only SKr 1m in state inventory subsidies against SKr 28m in such grants during 1977.

FIDELITY AMERICAN ASSETS NV.

REGISTERED OFFICE: SCHOTTEGATWEG OOST, SALINA, CURACAO, NETHERLANDS ANTILLES

Notice of Annual General Meeting of Shareholders

Please take notice that the Annual General Meeting of Shareholders of Fidelity American Assets N.V. (the "Corporation") will take place at 3:00 P.M. at Schottegatweg Oost, Salina, Curacao, Netherlands Antilles on March 20, 1979.

The following matters are on the agenda for this meeting:

1. Report of the Management.

2. Election of eight Managing Directors.

The Chairman of the Management proposes the re-election of the following existing Managing

Directors:

Edward C. Johnson 3d Hisashi Kurokawa
William L. Byrnes John M. S. Paton
Lord James Crofton-Stuart James E. Tonner
Charles A. Fraser Maduro & Curiel's Trust Company N.Y.

3. Approval of the Balance Sheet and Profit and Loss Statement for the fiscal year ended November 30, 1978.

4. Ratification of actions taken by the Managing Directors since the last Annual General Meeting of Shareholders, including payment of February 14, 1979 of the Extra Dividend of \$0.46 per share declared by the Managing Directors to Shareholders of record on January 31, 1979.

5. Ratification of actions taken by the Investment Manager since the last Annual General Meeting of Shareholders.

6. Such other business as may properly come before the meeting.

Holders of registered shares may vote by proxy by mailing a form of proxy obtained from the Corporation's Principal Office in Pembroke, Bermuda, or from the banks listed below, to the Corporation at the following address:

Fidelity American Assets N.V.
c/o Maduro & Curiel's Trust Company N.Y.
P.O. Box 305
Curacao
Netherlands Antilles

Holders of bearer shares may vote by proxy by mailing a form of proxy and certificate of deposit for their shares obtained and filed in the manner described in the preceding sentence. Alternatively, holders of bearer shares wishing to exercise their rights personally at the meeting may deposit their shares, or a certificate of deposit therefor, with the Corporation at Schottegatweg Oost, Salina, Curacao, Netherlands Antilles, against receipt therefor, which receipt will entitle said bearer shareholder to exercise such rights.

All proxies (and certificates of deposit issued to bearer shareholders) must be received by the Corporation not later than 9:00 A.M. on March 20, 1979, in order to be used at the Meeting.

By order of the Management
Charles T.M. Collie
Secretary

Kredietbank S.A. Luxembourgeoise
43, Boulevard Royal
Luxembourg

FIDELITY INTERNATIONAL FUND N.V.

REGISTERED OFFICE: SCHOTTEGATWEG OOST, SALINA, CURACAO, NETHERLANDS ANTILLES

Notice of Annual General Meeting of Shareholders

Please take notice that the Annual General Meeting of Shareholders of Fidelity International Fund N.V. (the "Corporation") will take place at 2:00 P.M. at Schottegatweg Oost, Salina, Curacao, Netherlands Antilles, on March 15, 1979.

The following matters are on the agenda for this meeting:

1. Report of the Management.

2. Election of seven Managing Directors. The Chairman of the Management proposes the re-election of the following existing Managing Directors:

Edward C. Johnson 3d Hisashi Kurokawa
William L. Byrnes John M. S. Paton
Lord James Crofton-Stuart James E. Tonner
Charles A. Fraser

3. Approval of the Balance Sheet and Profit and Loss Statement for fiscal year ended November 30, 1978.

4. Ratification of actions taken by the Managing Directors since the last Annual General Meeting of Shareholders.

5. Ratification of actions taken by the Investment Manager since the last Annual General Meeting of Shareholders.

6. Such other business as may properly come before the meeting.

Holders of registered shares may vote by proxy by mailing a form of proxy obtained from the Corporation's Principal Office in Pembroke, Bermuda, or from the banks listed below, to the Corporation at the following address:

Fidelity International Fund N.V.
c/o Maduro & Curiel's Trust Company N.Y.
P.O. Box 305
Curacao
Netherlands Antilles

Holders of bearer shares may vote by proxy by mailing a form of proxy and certificate of deposit for their shares obtained and filed in the manner described in the preceding sentence. Alternatively, holders of bearer shares wishing to exercise their rights personally at the meeting may deposit their shares, or a certificate of deposit therefor, with the Corporation at Schottegatweg Oost, Salina, Curacao, Netherlands Antilles, against receipt therefor, which receipt will entitle said bearer shareholder to exercise such rights.

All proxies (and certificates of deposit issued to bearer shareholders) must be received by the Corporation not later than 9:00 A.M. on March 15, 1979, in order to be used at the Meeting.

By order of the Management
Charles T.M. Collie
Secretary

The Bank of Bermuda Limited
Hamilton, Bermuda

Bank Julius Bar
International Limited
3 Lombard Street
London EC3V 9ER, England

Kredietbank S.A. Luxembourgeoise
43, Boulevard Royal
Luxembourg

This announcement appears as a matter of record only.

KJØBENHAVNS TELEFON AKTIESELSKAB

Luxembourg Francs 500,000,000

8 1/4 per cent. Bonds due 1989

Kredietbank S.A. Luxembourgeoise

Banque Générale du Luxembourg S.A.

Banque Internationale à Luxembourg S.A.

Privatbanken International (Denmark) S.A.

Banque de Paris et des Pays-Bas

pour le Grand-Duché de Luxembourg S.A.

U.S. S. 12.15

Listed Luxembourg Stock Exchange

Luxembourg

Agent:

Banque du Luxembourg

Investment Bankers

Manila Pacific Securities S.A.

Crédit Industriel d'Alsace et de Lorraine Luxembourg

Société Générale Alsacienne de Banque Luxembourg

Financial Times Friday March 9 1979

Cement-Roadstone plans rights issue

By WILLIAM DULFORCE IN STOCKHOLM

ASTRA, the Swedish pharmaceutical group, is raising SKr 108.3m (\$25m) in a one-for-three rights issue at SKr 100 per share. Shareholders will also benefit from a one-for-three rights issue, which together with the rights issue will increase the parent company's share capital from SKr

Asia (Chile) & Bolivia Railway—Brickhouse Dudley—Petbow—Pilkington Brothers—British Dredging—Terrier Assets—William Sindall—Capper-Neill—Time Products—Thomas Locker (Holdings)—Brownlee—Lid Services—Wedgwood—Boustead—Westbrick Products—Highams—Bishop's Stores—Spillers—Beechdon Hill—Attwood Garages—Stirla Holdings—Tesco Stores—Powell Duffryn—William Press—Combe Commonwealth—Brunning Group—John Foster—Dawson International—Adda International—Budco—Inland Electrical Appliances—Gill & Duffus—Haden Carrier—John Mowlem—Tozer Kemley & Millburn—Hadburn—Bunzl Pulp & Paper—British Home Stores—Stanley Gibbons—Cosalt—News International—Provincial Poster Group—Foseco Minsep—Turriff Corporation—Luis Gordon Group—Morgan Crucible—J Sainsbury—Youghal Carpets—Mothercare—Vernon Fashion Group—Ailebone & S—Leather Industries—Debenhams—Fidelity Radio—C E Heath—Alpine Holdings—East Midland Allied Paper—Holt Lloyd International—Flight Refuelling—Silentnight Holdings—Francis Shaw—Hunting Group—Cook Street Bureau of Mayfair—Barr & Wallace Arnold Trust—Fine Art Developments—J B Holdings—F & Sheerwood—Ash Spinning—Lesney Products—Scott & Robertson—Metal Box—Associated British F—Harrison & Crosfield—LOPS—Gough Brothers—Charles Hill of Bristol—Carless, Capel & Leonard—Thele Industries—Nurdin & Peacock—Tysons (Contractors)—Marshall's Universal—UBM—Siemens, Hunt—Timber—More O'Ferrall—Berec—Queens Moat Houses—Feedex—Border Breweries (Wrexham)—Booth—British Syphon—Headlam, Sims & Goggins—Blockleys—Bulmer & Lumb—Jefferson Smurfit Group—Hou—n Industries—William Pickles—Grampian TV—Hield Brothers—W & J Glessop—Dutton-Forshaw—Wad—Whitbread—Vickers—Huntleigh Group—Petrocon Group—Waterford Glass—York Trailer—Burke—International—Albert Martin Group—Black & Edgington—Bowthorpe Holdings—James Neill Holdings—Clement Clarke (Holdings)—Restair—Office & Electronic Machines—Collett, Dickenson, Pear—land Paint & Wallpaper—Taylor Woodrow—Coates Bros—Hoveringham Group—Hawker Siddeley—M—d Costain—John Laing—Helene of London—Northern Engineering—Camrex (Holdings)—Tilbury Cont—airn Lawson—Home Charm—Hiltons Footwear—Sharpe & Fisher—Rotork—Steel Brothers Holdings—Engineers of Bristol (Holdings)—Myson Group—Spear & Jackson—Coral Leisure—Harold Perry Motors—Investments—E Fogarty—Glynwed—Combined English Stores—Sanderson Kayser—Simon Engineers—Industrial Securities—Rugby Portland Cement—Bamfords—Garnar Scotblair—Empire Stores (Bradf—Beauford Boosey and Hawkes—Tricentrol—Anchor Chemical—Bentalls—Francis Industries—Matth—in Black—Photax (London)—R H Cole—Percy Lane—Berwick Timpo—Davies & Newman—Telephone I—Ferries—George Wimpey—Weeks Associates—Currys—Guardian Royal Exchange—H & J Quick—Wil—Austin Reed—A F Bulgin—Green's Economiser—Pentos—Travis & Arnold—LEC Refrigeration—Good

If they aren't your competitors, suppliers, customers or prospects...you're not in business!

Who are they? They're some of the companies the Investors Chronicle analyses in depth. Over a thousand a year. Some large, some small. Some riding high, some not so high.

Every week we take a hard look at a selection of them and give our readers the low-down. Turnover... profits... margins... dividends... plus a frank explanation of what the figures really mean.

Companies analysis is only one service we provide.

Every issue brings you the significant economic indicators, in-depth surveys of important industries (wool, brewing and steel are all recent examples) and a global picture of British business. Triumphs, failures, and the reason why.

In short, all the information that helps make your important decisions, correct ones.

The Investors Chronicle. The business decision-taker's digest. No other weekly publication goes so wide, so fast. It's essential reading for anyone whose prosperity depends on taking the right decision for himself—or his company.

To see what we mean, pick up a copy. It could be one of the most significant decisions you make this year.

INVESTORS CHRONICLE

The financial weekly that really means business

At your newsagent, every Friday.

Companies and Markets

INTNL. COMPANIES and FINANCE

Chrysler Australia sees return to the black

By James Forth in Sydney

CHRYSLER Australia, which lost A\$27.8m (US\$31.2m) in 1977, will report a loss for 1978

— but the directors are con-

vinced the group will move into

profits in the current year.

Mr. Lin Chin Beng, the company's

managing director, said in

reporting on the interim per-

formance.

Mr. Lin qualified his optimis-

tic note, however, with a word

of caution that protectionism in

many countries could slow down

SIA's growth.

"But by world

standards and compared to other

airlines," he added, "we should

still be able to grow at a healthy

rate of about 20 per cent per

annum over the next few years."

For the six months to Septem-

ber 1978, SIA's total revenue

rose by 33.3 per cent to \$870.8m

(US\$827m)—while its cargo

revenue expanded at the much

faster pace of 62.6 per cent.

While operating revenue went

up by 33.3 per cent, SIA held

the increase in operating costs to

26 per cent. "This," Mr. Lin

said, "is really the secret of

our financial success and the

reason why we have been able

to expand our route network

and to operate to new destinations."

This is also the reason why we have been able to acquire

new and modern aircraft, not

only to cater for the route

expansion but also to modernise

our existing fleet of aircraft."

SIA's ability to hold down

costs is also reflected in its

break-even point. Yields de-

clined by 3 per cent, from 103.8

Singapore cents per tonne kilo-

metre to 100.7 cents, but this

is only 1.7 per cent.

BY OUR SYDNEY CORRESPONDENT

GROUP PROFITS of Thomas

Nationwide Transport, the interna-

tional transport concern

scored a 77 per cent increase

from a \$6.5m to a \$11.53m

(US\$5.13m). The interim divi-

dend is raised from 4.5 cents a

share to 5 cents, which is

covered 3.1 times by the net

profit.

The directors attributed part

of the profit jump to a resump-

tion of normal trading condi-

tions by the U.S. operation,

Trans Freight Lines (TFL),

following settlement of a pro-

longed longshoremen's strike

in the first half of 1977-78. The

strike lasted for three months

and was the main factor in earn-

ings dipping last year for the

first time since the company was

incorporated in 1961. The board

said that TFL continued to in-

crease its market share but had

not yet reached capacity.

Difficulties applying to Acme

Fast Freight of the U.S. and

the Nigerian operations had

been eliminated, and were

further factors in the improve-

ment. Acme, which had run up

heavy losses since acquisition,

was disposed of, while the

Nigerian shipping operation was

merged with a competitor.

The directors pointed out that

trading conditions in Australia

improved, resulting in a higher

contribution to group earnings.

Operations in New Zealand were

satisfactory, although difficult

economic conditions continued.

The Canadian land division

operation reported a further

gain in earnings, and continued

to be a strong contributor to

the overall result, in spite of

adverse movements in the Cana-

dian dollar exchange rate.

Earnings increased from the ex-

panded UK operations, and re-

sults from Brazil continued to be

satisfactory, up 10 per cent.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CATHAY PACIFIC AIRWAYS.

the Hong Kong-based airline

which is a member of the Swire

Group, has substantially in-

creased its passenger business

in Europe and the UK, although

it flies no closer to those areas

than the Middle East. This has

been achieved by a concentrated

sales campaign aimed at busi-

ness travellers planning sales

visits to the Far East and SE

Asia.

Mr. Ted Smith, European

general manager for Cathay,

said yesterday that European

traffic last year showed a growth

of 40 per cent over 1977, and

we are confident that 1978 will

be another successful year.

He said that the airline

which has a network through-

out South-East Asia and the

Far East, will this summer intro-

duce its first Boeing 747 Jumbo

jet, with another due around

the end of this year. Four more

747s are on option for the

line.

Overall last year, throughout

its network Cathay Pacific car-

ried over 2m passengers and

58m kilograms of cargo.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CATHAY PACIFIC AIRWAYS.

the Hong Kong-based airline

which is a member of the Swire

Group, has substantially in-

creased its passenger business

in Europe and the UK, although

it flies no closer to those areas

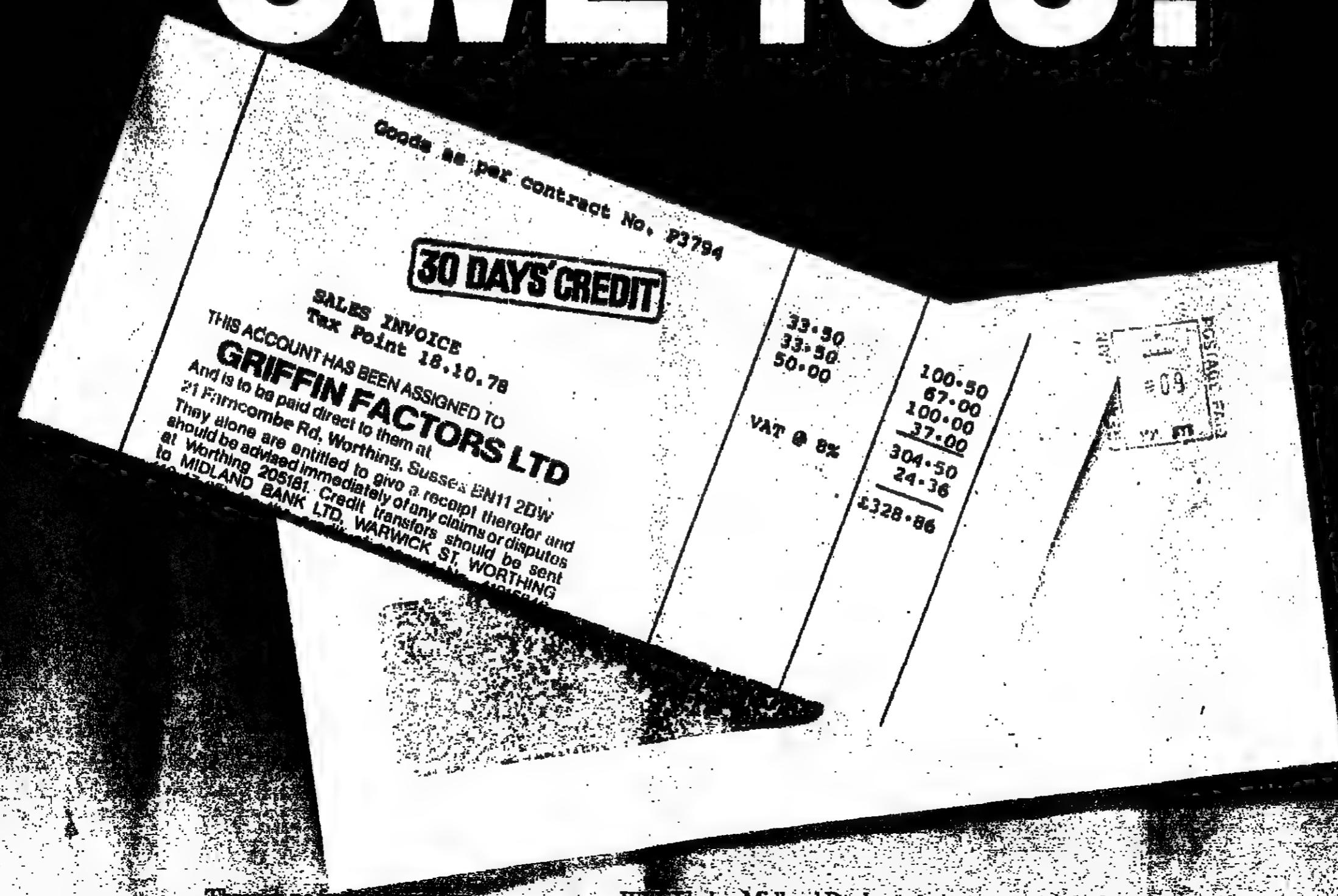
than the Middle East. This has

been achieved by a concentrated

sales campaign aimed at busi-

ness travellers planning sales

WOULD YOUR BANK MANAGER PAY YOU THE MONEY OTHER PEOPLE OWE YOU?



Through no fault of your own, many people running their own businesses can find themselves short of the money they need, when they need it.

Because while you're waiting to be paid the money you're owed, you can be faced with large bills that just won't wait.

But you probably wouldn't expect your bank manager to solve your problems by actually paying you money which your customers owe you.

We think he's a Midland Bank manager, you should because with the Midland, you can expect the unexpected.

You see, your Midland manager has at his disposal a team of specialist companies and services which can, between them, solve all sorts of difficult business problems.

In this instance, your Midland manager could put you in touch with our factoring company. They actually do buy

your trade debts and pay a large proportion of them to you straight away and take away worries of collecting from debtors. So that you can get the money when you need it most.

Start thinking of your Midland manager and his team as the people to deal with your business needs. Because, thanks to teamwork, you can expect us to provide solutions you'd never expect.

You can expect the unexpected from Midland teamwork



Midland Bank

Midland Bank Limited

متحدة من الأجل

Companies and Markets

WORLD STOCK MARKETS

Wall St. fractionally higher at mid-session

INVESTMENT DOLLAR PREMIUM
\$2.60 to \$1.801% (781%)
Effect \$2,0425 41% (291%)

WITH SPECULATIVE issues attracting the main buying interest, Wall Street moved modestly higher in fairly active early trading yesterday after Wednesday's advance, but a number of Blue Chips later met selling.

The Dow Jones Industrial Average, after gaining 7.7 the previous day and further improving to \$36.28 at 11.00 am yesterday, came back to \$34.63 at 1 pm, only .34 above the overnight

Closing prices and market reports were not available for this edition.

level. The NYSE All Common Index was a net 6 cents firmer at \$55.28, after reaching \$55.35, while gains held a seven-to-five ratio lead over declines at mid-session. Trading volume came to 21,321 shares, compared with 21,321 at 1 pm on Wednesday.

On the widely followed ciliated, but still discouraging, wholesale price figures had been largely discounted. The Labour Department reported that its February Producer Price Index

rose 1 per cent after a 1.3 per cent January increase.

They added that traders were waiting to see what would develop from President Carter's trip to the Middle East. They said some analysts Khalil said Egypt would offer counter proposals to the latest U.S. suggestions.

Casino shares were strong. Volume leaders Del E. Webb gained 1 to \$121, while Caesars World rose 11 to \$54. Ramada Inns 3 to \$11, and Marriott's 2 to \$24.

Savins and Loan stocks continued to benefit from take-over speculation. Financial Corporation of Santa Barbara put on to \$121; Golden West Financial to \$121; and Financial Federation 2 to \$33.

Rockover Brothers gained 1 to \$121. The company and Woolworth have reached agreement on ending Rockover licensed departments in Woolworth department stores. The deal includes a sale of Rockover's assets. Rockover said it may consider liquidating after the assets are sold. It also reported higher fourth-quarter profits. Woolworth picked up 1 to \$21.

Gulf and Western Industries reported improved fiscal second-

quarter net profits and hardened to \$144. Royal Dutch Petroleum gained 1 to \$86. Royal Dutch Shell announced a decline in 1978 profits.

THE AMERICAN SE Market Value Index advanced 0.76 more to 165.58 at 1 pm on increased volume of 2.1m shares (1.83m).

Among Gaming shares, Golden Nugget moved ahead 3 to \$27, and Flamingo International "A" to \$51.

Gros Ventre Casting added 1 at \$21 on higher December quarter net earnings and a raised dividend.

Canada

Markets were again irregular at mid-day yesterday after a fair business rises on the Toronto exchange outpaced by 155 to 129 at noon, although the Composite index was down 1.1 to 1,542.0 on index, while Metals and Minerals shed 2.4 to 1,524.9, but Oils and Gas put on 1.5 to 1,997.0. In Montreal, BMW declined 1.19 to 2,99.84, but Utilities improved 0.44 to 2,024.

Exidecar, which announced acquisitions in the U.S. and Canada and the sale of its

medical supply business, gained 1 to \$1.30. Hoechst

The Pipelines Index was up nearly 20 points as Transcanada Pipe added 1 at \$191, but the Real Estate group fell more than 25 points as Trizet lost 1 to \$11, and Cadillac Fairview 1 to \$11.

Germany

Stocks put on another mixed performance in what dealers said was uneven trading that varied from sector to sector.

Some Utilities, Steels, and Metals were briskly traded, but dealings in other sectors was light.

Among Utilities, VEBA advanced 1.20 to 1,45.50 on news that the company was doubling its dividend, while market sources said that a vigorous demand for Steels concern Thyssen, which drove the shares up DM 2.00 to DM 111.70, was caused by rumours that the company will announce a healthy dividend soon.

In Motors, investor demand for leading shares pushed Volkswagen up DM 1.90 and BMW DM 1.00 higher.

Chemicals were also favoured, with BASF and Bayer each post-

ing gains of DM 1.30. Hoechst rose DM 1.00 and Degussa climbed DM 2.00.

Stores, in contrast, reacted after Wednesday's strong showing in Karlsruhe, losing DM 2.00 and Borwin DM 1.00.

Machine Manufacturers had Linde DM 3.00 firmer but KHD down DM 2.00.

AEG in Electricals, slipped by 90 pfennig after the company reiterated its 1978 losses will be around DM 350m.

On the Frankfurt Stock Market, setting pressure lessened with public authority issues showing just small fresh losses ranging to 20 pfennigs and Bundesbank net purchases amounted to only DM 2.1m nominal of stock. Mark Foreign Loans were mostly maintained.

Tokyo

With profit-taking alternating with selective buying, stocks showed no clear trend yesterday. Business was again moderate, with turnover amounting to 220m shares (240m). The Nikkei-Dow Jones Average managed a small gain of 8.7 to 6,26.01, although declining issues outnumbered led rises.

Some high-priced Electricals succumbed to profit-taking. Pioneer Electronic receding Y30 to Y2,200 and TDK Electronics to Y1,700, but Sony advanced Y40 to Y1,700.

Vehicles and Communication Equipment issues attracted "cheap" buying, with Honda Motors improving Y5 to Y475 and Matsushita Industrial Y6 to Y665.

Elsewhere, Mitsui moved ahead Y15 to Y305, Fuji Photo Film Y18 to Y651, Canon Y30 to Y556 and C. Itoh Y11 to Y249.

Paris

Bourse employees have voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue the strike, while 908 voted to return to work, the union stated, but added that any new management proposals would be put to the vote and the strike could be suspended before March 16 if the vote is favourable.

Australia

There was a firmer trend on Australian markets yesterday, with selected resources stocks showing momentum higher. The Sydney All Ordinary index put on 2.82 to 590.33.

Offshore demand helped BHP rise 25 cents to a new 1979 high of \$10.95.

A number of Coal stocks advanced on continuing uncertainty over oil supplies and prices, with Bellambi adding 20 cents to \$4.60, Coal and Allied 10 cents to \$4.50, and Ulley 5 cents at \$4.50, but Oakridge reacted 3 cents to \$1.56.

An upturn on the London Metals Exchange was reflected in some gains by other mining issues, and CRA rose 7 cents to ASX.78. MIM 5 cents to ASX.18, and North Broken Holdings 4 cents to AS1.67.

Among Uraniums, Queensland Mines hardened 5 cents to AS3.30 on news of official approval for the Nabarlek uranium project. Pancontinental moved ahead 60 cents to AS12.40.

Associated Pulp and Paper announced 10 cents to AS2.50 after North Broken Holdings announced that it had purchased another 1.29m shares to take its shareholding to 10.58%.

Switzerland

With investors discouraged by the sharp February increase in Swiss consumer prices, growing fears of higher 1979 inflation, and an expected tighter Swiss Central Bank money supply policy, Bourse prices mainly declined in moderate activity.

The Swiss Central Bank is expected to dampen inflationary pressures by tightening the money supply, which it had permitted to grow considerably in 1978.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

The union had earlier yesterday rejected the latest management proposals on pay.

Some 1,264 Bourse employees voted to continue their strike for higher wages until March 16 inclusive, the employees' union said yesterday. There have been no share, bond, currency or bullion quotations from the Bourse since February 28.

THE PROPERTY MARKET BY CHRISTINE MOIR

Carena Bancorp studies EPC bid Static office yields ahead

CARENA BANCORP, the private Canadian company owned by the Brozman Brothers is clearly contemplating an independent bid for English Property Corporation.

S. G. Warburg has been appointed as financial advisor and immediately announced last night that Carena had severed its links with Wereldhave, the Dutch bidder. As a result Wereldhave has now withdrawn from the contest for EPC.

Mr. Harold Milovsky, chief executive of Trizet Corporation and a director of Carena, is at present in Paris inspecting EPC's properties there. He has already seen the Brussels buildings.

Before Wereldhave raised its bidding for EPC to 56p in an attempt to defeat Olympia and

York, the other private Canadian suitor, it signed an agreement with Carena over Trizet, in which EPC has a 50 per cent stake.

Under the deal Wereldhave promised if it acquired EPC to consolidate EPC's holdings in Trizet with those of Carena. This would have reduced EPC's stake to 40 per cent and increased Carena's to the same amount. The benefit, apart from the £385m or so which Carena was prepared to pay for the extra 10 per cent interest, was an agreement to share management control of Trizet. At present, EPC has no say in Trizet's future which is master-minded by Carena.

Now, with Wereldhave apparently reluctant to raise its bid for EPC again above the 60p

Olympia is offering, Carena seems to have decided to go it alone. If it wins EPC, of course, the deal with Wereldhave would be null and void since Carena would inherit EPC's 50 per cent of Trizet to add directly to its own 30 per cent.

With three suitors clamouring for its attention, EPC's board must be finding it difficult to concentrate on day to day management.

However, it has just announced that it has let half of St. Paul's House, Leeds, its modernised Victorian showpiece in Park Square.

Three floors, totalling 32,400 sq ft, have been let for £1.50 a sq ft to the Housing Corporation, Honeywell, and Arthur Andersen, the international accountants.

Now, with Wereldhave apparently reluctant to raise its bid for EPC again above the 60p

If the ground floor fetches the asking price of 15 a ft and the remainder of the space fills up, the property must be worth around £6m.

OBITUARY
Stephen Laurie

STEPHEN LAURIE died on Friday, March 2, after a very short illness, at the age of 45.

Between 800 and 900 people attended the funeral at the United Jewish Cemetery at Bushey. Mr. Laurie was educated at St. Paul's School and the College of Estate Management and became a chartered surveyor in 1961.

He spent his early working life with Richard Ellis and Goddard and Smith and later joined Michael Laurie and Partners, of which he was a senior partner.

From 1971-74 he was a director of Town and City Properties. He had numerous friends throughout the profession and was involved in many of the large property transactions of recent years.

He leaves a wife and three children.

• Commercial Union Properties has paid £1.25m for a 12,000 sq ft refurbished office block in Kings Road, Reading, let to Bank America Finance. The rent roll is £72,000 which gives CU a return of 5.8 per cent. The building has been virtually rebuilt behind the facade and is air-conditioned.

MR. PETER SIM, Legal and General's property fund manager, expects office yields to remain static this year because the market is pretty well in balance. However, he also expects strong capital growth on the back of increases in rental values.

On the development front, he believes, industrial and shop property will hold the field if only because "outside London very few office schemes are viable."

His own fund is actively trying to increase its investment in industrial developments.

The annual report of the fund, published this week, shows 3.7 per cent of the total by value has already been ploughed into development whereas in 1977 that column was blank.

The rest of the mix has not changed much. Offices still account for 47 per cent of the

fund was considerably less liquid than it had been 12 months previously. Short term investments totalled only 8.4 per cent compared with 12.4 per cent although the actual sum involved—£35m—was identical.

Between the two dates the market value of the fund grew from £92m to £116m. This included £40m of capital appreciation. During the year the development programme absorbed £13.5m, £1.7m was spent on improving existing properties, and £57m was spent on purchases.

The report contains an interesting income projection graph, reproduced here. It covers the existing investment portfolio only, excluding properties under-development. The chart shows estimated rental income after deduction of ground rents and expenses at each review based on 1978 market rents.

At the end of the year the

Leases have been exchanged or 96,000 sq ft of warehousing at the Thornton Road, Croydon scheme owned by Fleming Property Unit Trust and developed by London Mercantile Holdings.

Following the 47,106 sq ft letting to Harris Queensway Mills and Boosey and terms have been agreed for most of the remaining units in the 181,400 sq ft scheme at rents ranging from £2.40 upwards.

Fleming Property Unit Trust, in the last quarter, also increased its industrial portfolio by purchasing pre-let warehouse developments under construction at Park Royal, London NW10 and Bamberge Road, Newbury. The 70,000 sq ft development at Chase Road, Park Royal has been pre-let to All port Freight and to Rochas Perfumes at £2.50 a sq ft.

This brings the overall size of the trust to £121m, a 36 per cent increase in the last year.

Northfield land report delayed

THE REPORT by the Northfield Committee on the pattern of ownership of agricultural land is in its final draft. But there is little chance that it will see the light of day for at least three or four months—and possibly longer.

The report was first expected last summer; then Christmas became the likely date; and when that passed Easter was mentioned. The evidence had all been collected, months ago.

Rumours are now circulating

that the report will be delayed until after the election, although the committee itself will only say that publication cannot be expected until June at the earliest.

During his investigations Lord Northfield was assured by the institutions that their presence in the market was not as influential as the local working farmers themselves and that their ownership was part of the tradition of British farming with land owned by the Crown, the universities, the

charities and the State.

He himself gave the impression during public meetings that he thought some of the fears about institutional penetration were hysterical and unfounded.

If that impression has prevailed through to the final draft, the Government might prefer to let the document lie rather than appear to support a City takeover of the country's farmland during the run up to an election.

THE KEY to the £15.75m purchase by Prudential Assurance of the long leasehold of Juxon House on Ludgate Hill, London, was the restructuring of the lease held by the main tenant, Barclays Trust.

The bank originally took the lease back in 1966 when reviews were seven years apart if not longer. Acting for the owners, the Church Estates Development and Trollope and Colls, the price paid suggests a yield of 4.8 per cent.

Laings and Wimpey, Richard Ellis persuaded the bank to accept a modern lease.

This made the building more saleable and created competition amongst institutions for the 108,000 sq ft. Offices account for 81,000 sq ft and then there are 21,000 sq ft of retail, storage and office space in addition.

On an average rent of 27 a foot, the price the Prudential paid suggests a yield of 4.8 per cent.

Hampshire estates attract

Beard and L. S. Vail.

The agents also note that in the past six months asking rents for the units have risen from £1.50 to £2. No wonder the developer is pressing ahead with the second phase of

the Farnham Industrial Park in Fareham 18 months ago.

Already the entire 185,000 sq ft let estates in the area, the capital value of the two phases must be in excess of £7m.

INDUSTRIAL AND BUSINESS PROPERTY

If you are looking
for Industrial
Property in this
area ...



speak to the people who
know their market
on 01-930 9731

DRIVERS JONAS
10 SALMELL LONDON SW1Y 5NE

Why is Clwyd
ten times more
interesting?

Inquiries about industrial and commercial expansion in Clwyd have increased 10 fold over the last two years. Why? Because with its full Development Area status, its large multi-skilled workforce, proximity to major markets and national/international communications networks, this progressive Welsh county dominates the regional development scene. The news in Clwyd is about sales, not strikes—and it's a great place to live too.

Talk to us about the low-cost sites, the factories and the extensive financial aid available to incoming industries—we'll give you a deal you can't refuse.

Contact Wayne S. Morgan,
County Industrial Officer,
Clwyd County Council, Shire Hall, Mold (tel. Mold 2121)
for free colour brochure.

**UNIQUE MAYFAIR
OFFICE SUITE
TO BE LET
1,250sq.ft.
All amenities**

**Herring
Son & Davy**
Chartered Surveyors
26-28 Berkeley Street, London W1X 2QZ
01-734 8155



A DEVELOPMENT BY TRAFALGAR HOUSE

DUNDAS HOUSE
Brandon Street, Edinburgh

An exceptional modern office building in the capital of Scotland.
121,000 square feet net approx.
of superb accommodation with every amenity including 72 on site car parking spaces.
NOW LEASING

* Dundas House is the only landscaped low rise headquarters building in Scotland and is available as a whole or in separate blocks.

Healey & Baker

Established 1820 in London,
29 St. George Street, Hanover Square,
London W1A 3BG 01-629 9292

City of London, 18 Old Broad Street, London EC2N 1AR

Amsterdam, Brussels, Glasgow, Jersey, New York, Paris

K for Industry

AYLESFORD, Nr. Maidstone

Warehouse
11,450 sq. ft.

LEASE FOR SALE

CAMBERLEY

26,000 sq. ft.

Warehouse

TO LET—IMMEDIATE OCCUPATION

EDMONTON, N.18

7,350 sq. ft.

Warehouse

TO LET £7,500 P.A.X.

ENDERBY, Leics.

New Warehouse with Offices,

standing on its own site.

FOR SALE FREEHOLD OR TO LET

HAYES (Close Heathrow)

New Warehouse/Office Units

17 to 64,000 sq. ft.

TO LET—Ready Late 1979

HEREFORD

96,600 sq. ft.

Modern Factory

FOR SALE FREEHOLD or TO LET

KINGS CROSS (Close)

Single Storey Warehouse

14,160 sq. ft.

6 car parking spaces

TO LET

POOLE

10,000 sq. ft.

Factory

TO LET—IMMEDIATE OCCUPATION

King & Co

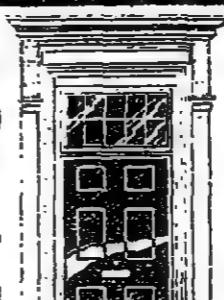
Chartered Surveyors

1 Snow Hill, London, EC1

01-236 3000 Telex 885485.

Manchester, Leeds and Brussels

**Chestertons
West End
Offices**



75 Grosvenor Street, London, W1X 0JB

01-499 0404

8,300 Sq.Ft. W1. Offices only £3.75 per Sq.Ft.

Short lease. Immediately available.

470 Sq.Ft. W1. Mayfair Office Suite.

2 Rooms, Kitchen, Bathroom, W.C. Immediate occupation.

Various small office suites, N.W.1.

Recently modernised building.

CLIENTS' REQUIREMENTS

5,500-6,500 Sq.Ft. Prime Mayfair location.

Entire building or single floor.

Major International Company seeks 1,200-1,400 Sq.Ft.

Marble Arch west to Hammersmith. £6 per Sq.Ft.

Chestertons. Chartered Surveyors. For all your property needs

HAMMERSMITH W.6.

Air Conditioned Offices
14,500 sq. ft.

All Amenities—Will Divide

Apply joint sole agents

Ref: PFL

Keith Cardale

Groves

Chartered Surveyors

43 North Audley Street,

Grosvenor Sq W1 2AQ

01-629 6604



NATIONAL INVESTMENT CORPORATION
OF CAMEROON

FF 100,000,000 medium term loan signed

A ten-year FF. 100 million loan for National Investment Corporation, Yaounde, was signed in Paris on Monday, February 19th. The loan was managed by SOCIETE GENERALE. It carries an interest rate of one and three-quarter per cent over the "taux de base bancaire" and is guaranteed by the United Republic of Cameroon.

National Investment Corporation was formed in 1964 as a state-owned institution; its purpose is the mobilisation of national saving with a view of promoting investment operations of economic and social interest in the industrial, agricultural and commercial fields. As at end June 1978 the financings granted to 75 companies amounted altogether FFCA 22 billion.

Representing the borrower at the ceremony was Mr. Amadou Bello, Chairman and Managing Director.



The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books — and forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children — for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Government Department can do.

This is where Army Benevolent steps in. With understanding. With a sense of urgency... and with practical, financial help.

To us it is a privilege to help these brave men — and women, too. Please will you help us to do more? We must not let our soldiers down.

The Army Benevolent Fund
for soldiers, ex-soldiers and their families in distress

Dept. FT, Duke of York's HQ, London SW3 4SP

NOTTINGHAM COLWICK

MODERN SINGLE STOREY FACTORY FOR IMMEDIATE OCCUPATION
with 2 storey office block

Total Floor Area

50,000 sq. ft. approx.

Fully heated, sprinklered, wired, etc.

1.5 ton gantry rails

TO LET

Full details

HALLAM BRACKETT
CHARTERED SURVEYORS

8 LOW PAVEMENT
NOTTINGHAM
Tel. 0602 51414

Close to Waterloo Station

Self-contained modern office building to let.
Approx.

5,200 sq.ft.

Rent £5 per sq.ft. excl.

Richard Main & Co.

Chartered Surveyors

01-623 6685

123-127 Cannon Street London EC4N 5AX

Anthony Barriman & Company

Stamford House, 2/5 Old Bond Street, London W1X 3TB Tel: 01-401 4991

Peterborough
Development Corporation

FACTORY SITES 1/2-100 acres

Ring John Case

0733 68931

ENERGY REVIEW

The man who wants to know where the energy money goes

THE BRITISH Government will within the next few months through the Social Science Research Council, place contracts totalling the best part of £750,000 for a line of energy research that it has been rather reluctant to fund in the past.

Broadly speaking, it can be called energy economics — the science of energy investment. It is an area of considerable interest to the oil companies, to state energy industries and mining industries, but one largely neglected by Government except for some recent efforts within the Department of Energy. The Social Science Research Council began to examine the area in 1976, when it invited Mr. Michael Posner, Reader in Economics at the University of Cambridge, to identify areas of work it might undertake. Mr. Posner, 47, was economic adviser to the Minister of Power in the 1960s, and since then successively to the Treasury, the IMF, the National Economic Development Office (NEDO), the Department of Energy and most recently British Rail.

The trouble with social scientists, as one well-known energy pundit who helped Mr. Posner to shape his report remarked recently, is that they produce 2 inch thick reports with no conclusions: "When you ask for the executive summary they just look surprised."

On January 1, Mr. Posner took over as chairman of the Social Science Research Council, smallest of the five research councils reporting to the Secretary for Science. It has a budget which this year will total about £15.6m of the total science vote of £266m, of which it spends only about £5m on research. It falls to Mr. Posner to implement the programme of energy research which he drew up in 1977-78 as chairman of the council's energy panel.

Since his research council has no laboratories or units of its own, it will be placing energy research contracts with university departments and "think tanks" throughout Britain. This will be much the biggest of four kinds of support for energy research, the others being the convening of energy seminars, fellowships for junior researchers, and funds for energy research centres. Together they total the biggest

single initiative by this research council: some £750,000 at January 1978 prices, spread over five years.

Was his colleague right about the inconclusive nature of much of this sort of work? When I asked Mr. Posner recently he cautiously replied that it was certainly important to write "fairly strong and tough contracts." But the venture was a new one, of which the research council was only just gaining its first experience as a customer for research. And it was essentially interdisciplinary research — less full of technical fireworks than work in a narrow discipline." It is well understood that work in such an area is "less dazzling, rather harder to do, possibly rather more worthwhile."

One of the earliest suggestions put forward by Sir Brian (now Lord) Flowers in 1971 was that someone might investigate the best way for a democratic society to reach the right decisions on energy investment. The Windscale Public Inquiry into the plans of British Nuclear Fuels to expand its reprocessing capacity offered a unique opportunity for study. Was the inquiry conducted by Mr. Justice Parker—which came to an unequivocal decision in favour of granting planning permission—the ideal way of dealing with a big energy project?

A don on Mr. Posner's energy panel was eager to study the subject. Professor David Pearce, professor of political economy at the University of Aberdeen, had shown considerable technical and economic skills in his published work up to that time." He was given a modest grant of merely £8,000 to investigate the role of the public inquiry in energy policy. His brief was to look at the Windscale inquiry and to draw lessons for future public inquiries — not necessarily energy inquiries.

His final report will be published by Macmillan this autumn. "Nobody loves it very much," says Mr. Posner. "Do I agree with its conclusions? I think I say 'no'." But he admits that he is unrepentantly a supporter of nuclear energy, and Professor Pearce sometimes barely hides his hostility towards the nuclear industry. The Energy Panel neither



Michael Posner: he wants tough contracts. Ashley Ashwood

approved nor disapproved of the findings of the report, but suggested amendments, then agreed unanimously that it should be published.

Mr. Posner believes that Judge Parker did a good job with his Windscale report. But he also believes that Professor Pearce is probably right in concluding that something different is required for the next "national" energy planning inquiry. In the mid-1970s Mr. Posner himself was chairman of a planning inquiry in Leicestershire, and was struck by the disparity between the resources available to those for and those against the plans. "It was not really a fair contest."

Proposals embodied in Professor Pearce's report have already been endorsed by the

University of Sussex. To Mr. Posner: "They know its politics and have a lot of experience hopping from a piece of thin ice to another." Another is the Department of Economics at the University of Surrey, led by Professor C. Robinson. The third—possibly the largest British university group engaged in energy studies—is one headed by Dr. H. Eden at the Cavendish Laboratory in Cambridge.

But one "Pearce Report" on how decisions are reached is not enough, Mr. Posner believes. He wants half-a-dozen studies of the same kind, from which his energy panel might sort out the nuggets. He accepts that none will be impartial, but the aim would be to find independent analysts to provide "objective, scholarly, disinterested evidence." Professor Pearce, he says, would then probably be at one extreme of a spectrum of opinion. "And I want to see the chaps we funded on both sides of any public inquiry."

An alternative scheme has been proposed by Lord Flowers, namely that the energy panel might attempt to model its own inquiry, then try to decide what evidence should be submitted to enable it to reach a decision. Not the least problem would be the risk of pre-empting a real inquiry if the researchers made a wholehearted attempt to be realistic about their modelling.

An idea that tempts the Social Science Research Council was for all its energy funds to be invested in one new energy research institution, along the lines of that the Massachusetts Institute of Technology. So far the temptation has been resisted, in favour of spreading the funds more widely. But that does not preclude the idea of new research units being launched with its funds.

Overall the Council's aim still is to concentrate much of the funding in a relatively small number of "designated centres" perhaps no more than four, some of which it has already picked out as having the potential for counterbalancing the effort the oil companies and nationalised industries bring to bear in this field. Three have attracted particular attention, as having the intellectual resources to tackle big questions. One is the Science Policy Research Unit under Professor Christopher Freeman at the

"some oddballs," he says. "People want us to do what leads to energy being taken up publicly. We are people so enthusiastic in the idea of combined heat and power, for example, whether economic case is dubious?"

"And we have to do

"He means research

"views lie well outside the stream of energy thinking

includes in this category

Gerald Leach, whose

report describing a Jewish

strategy for the UK purports to show how Britain

to stabilise its energy demands sufficiently intense internal

energy saving. Could it be

estimated by a factor of 10

the amount of electricity

possible."

CLASSIFIED COMMERCIAL PROPERTY

FREEHOLD PROPERTY WANTED

IN COVENT GARDEN
FOR RETAILING

Any size considered.

Phone 01-26681

Telex 81116 SILVER

SHOPS AND OFFICES

BERKELEY SQUARE

MAYFAIR W1

Magnificent, self-contained period office building, 5,346 sq ft. With all amenities and two tele's immediate occupation. Lease for sale.

IAN SCOTT & CO. LTD.

Berkeley House

20 Berkeley Street

London W1X 5AE

(01) 493 9811

OFFICES TO LET

100/150,000 sq. ft.

TENANT WITH

O.D.P. REQUIRED

Principals or Retained

Agents only

Apply Box T5025

Financial Times

10 Cannon Street, EC4P 4BY

CITY OFFICES

EC2 5,000 sq. ft.

new self contained building

near St. Paul's

TO BE LET

MONTAGU EVANS AND SON

01-831 6361

ref: daa

RAYBOULD

Hotel/Caravan & Chalet Services

Bathgate, West Lothian, EH51 2DN

Telephone: (031) 323776 24 hours

COMPLETE

1000 sq. ft. to 20,000 sq. ft.

100% let

When

World meat record forecast

WASHINGTON — Meat production will set a new record year in the major meat-importing countries of the world, U.S. Department of Agriculture predicts, reports AP-Jones.

If feed production is to decline to almost 13.5m from last year's 13.2m, use of drops in the U.S., Canada and Japan, although production in the European Common Market countries is set to rise. But pork, beef and lamb will more than make up the difference.

U.S. meat production in the Common Market, Japan and France is expected to reach 48.1m tons compared almost 47.3m in 1978.

The U.S. by far the biggest producer, prices are due to rise there will be sharp increases in supplies of manufacturing beef as slaughter and other grass-fed cattle. This is expected to heavy U.S. demand for its.

U.S. has set imports this at about 712,000 tons for its subject to the meat export law. These imports account for 35 per cent of U.S. beef imports. But U.S. beef and veal imports expected to reach 1.1m tons.

an is expected to increase exports by about 20 per cent last year, for a total of 10 tons. But Japanese imports will go down because expected increase in home consumption.

th Korea, which became for beef importer in 1978, expects to import its imports level, with most of the coming from Australia.

New Zealand, though

ability from those two is due to be considerably reduced.

Australian beef supplies

be very tight," the U.S.

predicted, and New

U.S. production is due to

the Common Market, pork

is due to rise about

cent, peaking some time

the year and poultry

is expected to rise

per cent. Beef imports

rise slightly, to 506,000

tons, the U.S. Department of Agriculture says.

The Bill, as it now stands,

suggests that stockpiling of strategic wartime materials be devised solely for defence purposes.

In recent years economic

consideration has played a large

part in determining sales and

purchases.

Big EEC apple surplus destined for destruction

BY CHRISTOPHER PARKES

THE COMMON MARKET may have to dump, bury or otherwise dispose of up to 500,000 tonnes of surplus apples left over from last year's crop.

National Farmers' Union officials say 300,000 tonnes have already been taken off the market and with producers now clearing out their stores at the tail-end of the season, a further 200,000 tonnes may have to be cleared to prevent a price-slam.

The EEC Commission has so far received formal notification of the disposal of 90,000 tonnes, France, as usual, has yet to submit full returns.

Most of the disposals have taken place in France and Holland although between 600 and 2,000 tonnes of Cox's Orange Pippins have also been disposed of in the UK.

British farmers getting rid of their surpluses under EEC intervention arrangements will be paid about 3p to 4p a pound from the Community farm fund. Average retail prices for

pears in Britain this week are between 12p and 28p.

While sanctioning the destruction of surpluses the Brussels authorities have been in touch with Southern Hemisphere suppliers.

Shippers in New Zealand, South Africa and Latin America who are now preparing to send fresh new-crop apples have been asked to limit shipments.

The object is to prevent incoming new-crop supplies from overlapping with the annual clear-out of old-season European apples.

If the overlap were to occur the EEC intervention authorities might find themselves asked to take on even more apples and the southern shippers' prices could be seriously depressed by the general oversupply.

Surplus EEC apples are supposed to be disposed of in hospitals and other non-profit making markets, but most are usually simply dumped and allowed to rot.

Stockpile Sales Bill go-ahead

THE FIRST hurdle blocking sales of surplus commodities from the U.S. strategic stockpile was cleared yesterday with the passage by the House armed services committee of an updated Policy Bill. This was followed immediately by approval of a Bill authorising the sale of 35,000 long tons of tin from the stockpile.

Passage of the Bills by the full House could come any time after three days. No significant opposition to the Bills has developed in either the House or the Senate, although the Senate has yet to vote on either measure.

All commodity stockpile legislation in the House had been held up for consideration by Rep. Charles Bennett, chairman of the Stockpiling Subcommittee, who insisted that specific sales and purchases would have to wait until passage of a policy Bill.

The Bill, as it now stands, specifies that stockpiling of strategic wartime materials be devised solely for defence purposes.

In recent years economic consideration has played a large part in determining sales and purchases.

The Bill, as it now stands, specifies that stockpiling of strategic wartime materials be devised solely for defence purposes.

In recent years economic

consideration has played a large

part in determining sales and

purchases.

is viewed favourably by many Congressmen as an inflation-fighting move.

The Tin Bill passed by the committee did not specify release of 3,000 long tons to the International Tin Council's buffer stock as had been expected. However,

Our Commodities Editor writes: News of the further progress in finally securing stockpile releases had little impact on tin prices on the London Metal Exchange yesterday.

Farm incomes top league

BY MARGARET VAN HATTEM IN BRUSSELS

THE EEC Commission has produced figures showing that in the past decade farmers' real incomes rose by an average of 3.3 per cent a year, outstripping income growth in all other economic sectors.

Mr. Finn Gundelach, the Agriculture Commissioner, is expected to use these figures to counter farmers' claims for a 4 per cent rise in common farm prices, and to defend Commission plans for a price freeze.

The figures show that on a gross added-value basis, farm incomes rose 3.3 per cent a year between 1969 and 1978. Non-farm incomes rose only 2.4 per cent.

Figures for 1978 (excluding the potato sector which was hit by a price slump) show real incomes in farming rose by an average 4.1 per cent, against 2.3 per cent in the non-farm sector.

Some 78,000 tonnes of milk powder should be distributed directly, including 31,000 for India.

Reuter

European plantings of beet to rise

By Our Commodities Staff

WEST GERMAN sugar statistician F. O. Licht expects European sugar beet plantings to rise this year.

In his first estimate of European 1979 sugar beet areas, published yesterday, he puts the total at 7,874,000 hectares compared with 7,794,000 last year and 7,805,000 in 1977. Of this, 2,618,000 hectares are predicted to be planted in Western Europe and 5,256,000 in Eastern Europe.

Last year Western Europe accounted for 2,560,000 hectares and Eastern Europe 5,243,000. The EEC's share this year is put at 1,759,000 hectares against 1,754,000 in 1978.

London sugar traders found the forecast "slightly disappointing." They had expected a small decrease in plantings.

But most agreed that the weather during the growing season would be more important in determining the production total than marginal changes in the planted area.

Reports that the Sudan had bought about 80,000 tonnes of white sugar at a tender on Wednesday made for a steady market yesterday morning and the August futures position climbed to £112.40 a tonne at one stage.

But values declined in response to the Licht forecast and August sugar ended the day at £111.925 a tonne.

The MCA subsidies and levies are designed to compensate for variation in currency values within the Community. This, according to the rule of the Common Agricultural Policy is fair enough. But the situation is aggravated by the way in which the pigment MCAs are calculated.

At the moment they are determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the pork.

The MCA on bacon imported from Holland, for instance, is £22.8 per tonne at the moment.

A 5 per cent devaluation of the Green Pound should mean, according to Dutch sources, a reduction of 10 per cent in the MCA subsidy.

But the moment they are

determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the pork.

The MCA on bacon imported

from Holland, for instance,

is £22.8 per tonne at the moment.

A 5 per cent devaluation of the Green Pound should mean, according to Dutch sources, a reduction of 10 per cent in the MCA subsidy.

But the moment they are

determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the pork.

The MCA on bacon imported

from Holland, for instance,

is £22.8 per tonne at the moment.

A 5 per cent devaluation of the Green Pound should mean, according to Dutch sources, a reduction of 10 per cent in the MCA subsidy.

But the moment they are

determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the pork.

The MCA on bacon imported

from Holland, for instance,

is £22.8 per tonne at the moment.

A 5 per cent devaluation of the Green Pound should mean, according to Dutch sources, a reduction of 10 per cent in the MCA subsidy.

But the moment they are

determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the pork.

The MCA on bacon imported

from Holland, for instance,

is £22.8 per tonne at the moment.

A 5 per cent devaluation of the Green Pound should mean, according to Dutch sources, a reduction of 10 per cent in the MCA subsidy.

But the moment they are

determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the pork.

The MCA on bacon imported

from Holland, for instance,

is £22.8 per tonne at the moment.

A 5 per cent devaluation of the Green Pound should mean, according to Dutch sources, a reduction of 10 per cent in the MCA subsidy.

But the moment they are

determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the pork.

The MCA on bacon imported

from Holland, for instance,

is £22.8 per tonne at the moment.

A 5 per cent devaluation of the Green Pound should mean, according to Dutch sources, a reduction of 10 per cent in the MCA subsidy.

But the moment they are

determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the pork.

The MCA on bacon imported

from Holland, for instance,

is £22.8 per tonne at the moment.

A 5 per cent devaluation of the Green Pound should mean, according to Dutch sources, a reduction of 10 per cent in the MCA subsidy.

But the moment they are

determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the pork.

The MCA on bacon imported

from Holland, for instance,

is £22.8 per tonne at the moment.

A 5 per cent devaluation of the Green Pound should mean, according to Dutch sources, a reduction of 10 per cent in the MCA subsidy.

But the moment they are

determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the pork.

The MCA on bacon imported

from Holland, for instance,

is £22.8 per tonne at the moment.

A 5 per cent devaluation of the Green Pound should mean, according to Dutch sources, a reduction of 10 per cent in the MCA subsidy.

But the moment they are

determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the pork.

The MCA on bacon imported

from Holland, for instance,

is £22.8 per tonne at the moment.

A 5 per cent devaluation of the Green Pound should mean, according to Dutch sources, a reduction of 10 per cent in the MCA subsidy.

But the moment they are

determined according to a theoretical intervention price for pigments. But because a pig is basically a bag of cereal and other feed, the British—and other importing countries—are pressing for MCAs to be calculated on the cereal content of the rations used to produce the

LONDON STOCK EXCHANGE

Continued euphoria in markets leads to further sharp gains in Gilts and record high in All-share index

Account Dealing Dates
Option
First Declar. - Last Account Dealings from Dealings Day Feb. 26 Mar. 8 Mar. 9 Mar. 20 Mar. 12 Mar. 22 Mar. 23 Apr. 3 Mar. 26 Apr. 5 Apr. 6 Apr. 18 "Now time" dealings may take place from 9.30 am two business days earlier.

Monitoring the current euphoria in stock markets, the F.T.-Actuaries All-share index yesterday broke fresh high ground since compilation, the 30-share index strode through the 500-mark while Government stocks continued their heady rise to close a further £3 up in places. Almost every sector experienced renewed sizeable investment demand from institutional and public sources which placed a heavy strain on markets considerably short of stock in many areas.

High returns relative to the yields available in other industrialised countries induced further overseas support of Government securities and the continuing strength in sterling added to the basic attraction. The supply situation in gilts was particularly acute and tended to exaggerate the price movements; the longer of the new two partly-paid Government scrips, Treasury 13½ per cent 2000-03, in which dealings started on February 23, settled at 293½ for a premium of over 92 per cent on the issue price of £15.

Although the equity sections took a breather around midday, the undertone remained extremely firm and selected heavy-priced leaders such as Beecham settled with gains to 18. End-Account influences also made their mark in the afternoon trade and after bolling through the 600-level to 607.1 at 11.15, the F.T. 30-share index closed 34 higher on the day at 500.3.

Investment in secondary stocks was also impressive, a factor which was recognised in official markings of 7.300 and by another good showing in the F.T.-Actuaries All-share index, up 1.8 per cent at a record high of 249.1.

The force of the upsurge in British Funds was reflected in amount to 189.

The FT-Government Securities index which leapt 1.50 more to 73.10 for a gain of over 13 per cent from last month's 1978/79 low of 64.6. Short-dated issues with gains to 17, but ended 1 or so below the best after encountering a burst of profit-taking just before the official close, while medium and longer stocks also ended marginally below the day's highest.

Trade became more evenly balanced in the investment currency market with institutional sources operating as both buyers and sellers. The premium initially fell to 78½ in response to the annual results and proposed one-for-four rights issue. Redland hardened 2 to 186p and the Warrants gained 7 points to 277p. While news of a Monopolies Commission investigation left RMC 4 down at 144p. Derek Crutch lost 7 to 129p on disappointing annual results and Galford Blundell shed 3 to 76p, after 78p following the latest interim profits. Leyland Paints put on 8 to 114p. SCS improved 5 fresh to 225p, after 230p, and Travis and Arnold gained 10 to 181p.

Subsidy of the chairman's review of current prospects, ICI ended just a penny harder at 397p. Fisons added another 5 to 325p and late interest lifted Plym S to 162p.

Still reflecting the encouraging NIESR review on the outlook for consumer spending and general pre-budget optimism, Stores once again attracted a heavy demand and closed firmly throughout. Buyers became particularly interested in D-Y-Y issues and, with sales in short supply, price improvements ranged to double-figure. Homebase jumped 29 to 340p, and A. G. Stanley 21 to 218p, while Status Discount, ahead of going on Monday, rose 29 further to 340p, after 345p. Still looking forward to the forthcoming reorganisation, MFI Furniture added 10 to 235 for a rise on the week so far of 85. Elsewhere, John Menzies put on 12 to 185p and rises of 8 and 9 respectively were seen in Formster, 180p, and Bambers, 180p. Gussies A gained 4 more to 380 among the leaders, as did House of Fraser, to 150p, and W. H. Smith A, to 174p. Marks and Spencer touched 100p, but finished only a penny dearer at 98p. Among Shoes, Strong and Fisher gained 6 to 81p, after 84p, with the results left Corah a penny cheaper at 39p.

A good demand developed for Brewery shares. Among the leaders, Bass and Whitbread A, overshadowed recently by the Price Commission's refusal to grant a price increase, were well supported and gained 9 to 185p and 41 to 112p respectively. Secondary issues moved ahead included Burtonwood, up 7 at 180p, and Midland, 5 higher at 180p. Distillers were good and closed 5 higher at 241p, while A. Bell improved a similar amount to 189p.

Keyser Ullmann stood out in merchant banks with a rise of 4 to 54p, after 53p, to confirm the subsidy that the group is selling its Cannon Assurance subsidiary to a Canadian concern for £3.6m cash. Bambers added 9 to 202p and Schroders 15 to 430p. Quite firm home banks closed below the best in places but Midland finished 7 higher at the day's highest of 402p, in front of today's preliminary results. Buyers' came for Standard Chartered which jumped 20 to 480p.

A good demand developed for Pharmacy shares. Among the leaders, Bass and Whitbread A, overshadowed recently by the Price Commission's refusal to grant a price increase, were well supported and gained 9 to 185p and 41 to 112p respectively.

Secondary issues moved ahead included Burtonwood, up 7 at 180p, and Midland, 5 higher at 180p. Distillers were good and closed 5 higher at 241p, after 238p.

Buyers' came for Standard Chartered which jumped 20 to 480p.

Electrical issues were well to the fore in the general improvement and double figure gains were fairly commonplace. Roden responded afresh to the good preliminary results with a rise of 15 to 200p, after 215p. Gains of around 20 were recorded in Farnell, 480p, and Wholesale Fittings, 295p, while Racal, 420p, and Electrocomponents, 385p, rose 11 and 10 respectively. In contrast, leading issues presented a mixed appearance with Plessey reaching 7 to 110p on disappointment with the third-quarter figures. EMI improved a few pence initially before sellers prompted a reaction to 118p for a net fall of 3. On the other hand, GEC were briskly traded and closed 3 to the good at 365p, after 370p.

Gains were fairly numerous throughout the Engineering sector. GKN encountered fresh support and put on 7 further to 255p along with John Brown, 8 the good at 446p. Outside the leaders, demand in a market now well supplied was seen in British Aluminium, 13 to 217p. Slings Engineering, 7 up at 222p, continued to make headway following recent acquisition news. British Aluminium gained 16 to 260p and Metalair 4 to 63p, but Birtex and Macsteel contrasted with a fall of 6, penny to 25p on lower interim profit.

The bulk of Food issues recorded useful gains following considerable interest. British Sugar advanced 10 for a two-day

to 409p.

* London Egg Exchange price per 120 eggs. † Delivered.

‡ Unavailable. § For delivery March 10-17.

Building issues attracted a good two-way business. Blue Circle firmed 5 to 237p, while Great Western rose 4 to 116p, the latter in response to the annual results and proposed one-for-four rights issue. Redland hardened 2 to 186p and the Warrants gained 7 points to 277p. While news of a Monopolies Commission investigation left RMC 4 down at 144p. Derek Crutch lost 7 to 129p on disappointing annual results and Galford Blundell shed 3 to 76p, after 78p following the latest interim profits. Leyland Paints put on 8 to 114p. SCS improved 5 fresh to 225p, after 230p, and Travis and Arnold gained 10 to 181p.

Trade became more evenly balanced in the investment currency market with institutional sources operating as both buyers and sellers. The premium initially fell to 78½ in response to the annual results and proposed one-for-four rights issue. Redland hardened 2 to 186p and the Warrants gained 7 points to 277p. While news of a Monopolies Commission investigation left RMC 4 down at 144p. Derek Crutch lost 7 to 129p on disappointing annual results and Galford Blundell shed 3 to 76p, after 78p following the latest interim profits. Leyland Paints put on 8 to 114p. SCS improved 5 fresh to 225p, after 230p, and Travis and Arnold gained 10 to 181p.

Subsidy of the chairman's review of current prospects, ICI ended just a penny harder at 397p. Fisons added another 5 to 325p and late interest lifted Plym S to 162p.

Still reflecting the encouraging NIESR review on the outlook for consumer spending and general pre-budget optimism, Stores once again attracted a heavy demand and closed firmly throughout. Buyers became particularly interested in D-Y-Y issues and, with sales in short supply, price improvements ranged to double-figure. Homebase jumped 29 to 340p, and A. G. Stanley 21 to 218p, while Status Discount, ahead of going on Monday, rose 29 further to 340p, after 345p. Still looking forward to the forthcoming reorganisation, MFI Furniture added 10 to 235 for a rise on the week so far of 85. Elsewhere, John Menzies put on 12 to 185p and rises of 8 and 9 respectively were seen in Formster, 180p, and Bambers, 180p. Gussies A gained 4 more to 380 among the leaders, as did House of Fraser, to 150p, and W. H. Smith A, to 174p. Marks and Spencer touched 100p, but finished only a penny dearer at 98p. Among Shoes, Strong and Fisher gained 6 to 81p, after 84p, with the results left Corah a penny cheaper at 39p.

Tobacco made further headway. Bass improving 7 further to 335p and Imps 1 more to 97p. Among Plantations, London Cigarette rose 15 to 275p on bin hopes.

Electrical issues were well to the fore in the general improvement and double figure gains were fairly commonplace. Roden responded afresh to the good preliminary results with a rise of 15 to 200p, after 215p. Gains of around 20 were recorded in Farnell, 480p, and Wholesale Fittings, 295p, while Racal, 420p, and Electrocomponents, 385p, rose 11 and 10 respectively. In contrast, leading issues presented a mixed appearance with Plessey reaching 7 to 110p on disappointment with the third-quarter figures. EMI improved a few pence initially before sellers prompted a reaction to 118p for a net fall of 3. On the other hand, GEC were briskly traded and closed 3 to the good at 365p, after 370p.

Gains were fairly numerous throughout the Engineering sector. GKN encountered fresh support and put on 7 further to 255p along with John Brown, 8 the good at 446p. Outside the leaders, demand in a market now well supplied was seen in British Aluminium, 13 to 217p. Slings Engineering, 7 up at 222p, continued to make headway following recent acquisition news. British Aluminium gained 16 to 260p and Metalair 4 to 63p, but Birtex and Macsteel contrasted with a fall of 6, penny to 25p on lower interim profit.

The bulk of Food issues recorded useful gains following considerable interest. British Sugar advanced 10 for a two-day

to 409p.

* London Egg Exchange price per 120 eggs. † Delivered.

‡ Unavailable. § For delivery March 10-17.

gain of 21 to 160p and Unigate added 4 to 82p while Supermarkets, Associated Dairies firmed 5 to 254p and J. Sainsbury 4 to 276p. Elsewhere, Needlers jumped 10 to 56p in response to a rise of 4 to 120p. Decca improved 4 to 154p and Property Holding and Investment 12 to 380p while, on the bid front, English Property touched 631p before shading to 63p, up 1 on balance, awaiting developments.

Persistent demand prompted useful gains in certain Properties Stock Conversion put on 10 to 322p, and Great Portland 6 to 276p, while Peaches revived with a rise of 4 to 120p. Decca improved 4 to 154p and Property Holding and Investment 12 to 380p while, on the bid front, English Property touched 631p before shading to 63p, up 1 on balance, awaiting developments.

Simulated mainly by the proposed one-for-one scrip issue which accompanied the preliminary results, Shell pushed ahead to 685p, up 20 on balance. Royal Dutch rose 2 to 146. Elsewhere in the Oil leaders, British Petroleum continued to forge ahead and closed 12 to the good at 1076p. Among secondary issues, renewed speculative demand left Attack up 16 more at 104p for a two-day rise of 24p.

Against the firm trend in Overseas Telecoms, City Merchants relinquished 2 to 48p on the disappointing interim earnings.

Among Shipments, Furness Witton advanced 9 more to 214p and P. and O. Deferred hardened pennie more to 73p.

Compared with the majority of sectors, Textiles appeared to be overlooked. Among the handful of changes, buyers showed interest in A. Martin, 5 up at 92p, and F. Miller, 4 dearer at 50p, but disappointment with the results left Corah a penny cheaper at 39p.

Tobacco made further headway. Bass improving 7 further to 335p and Imps 1 more to 97p.

Among Plantations, London Cigarette rose 15 to 275p on bin hopes.

Golds quietly firm

South African Gold shares

continued to edge higher with

prices reflecting the marginal improvement in the investment currency premium and tending to shrug off the lower bullion price, which closed 82 down at \$239.125 per ounce following the outcome to Wednesday's International Monetary Fund gold auction.

Trading in Golds, however, along with trading in all sections of mining markets, tended to be overshadowed by the considerable activity in gilts and equities.

South African Financials were quietly firm. De Beers recovered 8 of the recent losses to finish at 452p while Anglo American Corporation put on 6 to 338p.

General Mining, which has delayed publication of the 1978 results, advanced 15 to 460p following a good Johannesburg demand.

The strength of UK equities induced minor support for London-registered Financials, with rises of 4 common to Charter, 155p, Rio Tinto Zinc, 298p.

The Rundall oil shale partners again featured in a fairly active Australian section. Renewed American buying reportedly on favourable US Press mention, lifted Central Pacific Minerals 50 more to 255, a two-day gain of 25p while Southern Pacific Petroleum climbed a further 10 to 210p for a rise of 40 over the past two days.

Pancontinental continued to attract support following the Federal Government's go-ahead for the Narberlek uranium project of Queensland Mines; the former's shares put on 25 more to 75p.

Bass-metals mines did well with BH South and North Broken Hill 4 firmer at 129 and 131p respectively and Hampton Areas 6 better at 180p.

Motor Distributors again featured in a fairly active Australian section. Renewed American buying reportedly on favourable US Press mention, lifted Central Pacific Minerals 50 more to 255, a two-day gain of 25p while Southern Pacific Petroleum climbed a further 10 to 210p for a rise of 40 over the past two days.

Pancontinental continued to attract support following the Federal Government's go-ahead for the Narberlek uranium project of Queensland Mines; the former's shares put on 25 more to 75p.

Bass-metals mines did well with BH South and North Broken Hill 4 firmer at 129 and 131p respectively and Hampton Areas 6 better at 180p.

British Equities rose 10 to 125, a two-day gain of 10, and Gilt Edged 15 to 155, a two-day gain of 15.

Gold Miners (Ex-S pm) 115.0 114.0 113.4 112.9 112.4 111.0

Ord. Div. Yield ... 5.81 5.84 5.78 5.81 5.82

Earnings (2nd Qtr) ... 8.85 8.88 8.87 8.85 8.86

Deals marked ... 7.300 6.725 6.655 6.724 6.688

Equity turnover £m ... 156.82 157.83 153.56 150.65 156.82

Equity bargains total ... 27,972 21,548 20,767 19,156 18,820

10 am 502.5 11 am 502.7 Noon 502.3 1 pm 500.8
Latest 502.80 Fixed in 1978
1/7/35 Gold Miners 12/9/53 Ex-S premium index started Jan
SE Activity July-Dec. 1942

HIGHS AND LOWS S.E. ACTIVITY

1978/9 Since Compt'd
High Low High Low
Govt. Secs ... 64.64 127.4 49.18
15/7/78 (18/7/78) 61.55 (61.55)

Fixed Int'l ... 56.77 150.4 50.83
1/7/78 (12/7/78) (28.11/78) (47.1/78)

Ind. Ord. 535.8 435.4 549.2 49.4
(14/8/78) (23/7/78) (14/7/78) (28.6/78)

Gold Mines 206.6 124.1 442.3 43.2
(14/8/78) (29/7/78) (28.10/78) (28.6/78)

Gold Miners (Ex-S pm) 133.3 90.3 357.1 54.5
(14/8/78) (18/7/78) (3.4/78) (28.6/78)

1978/9 Since Compt'd
High Low High Low
Govt. Secs ... 64.64 127.4 49.18
15/7/78 (18/7/78) 61.55 (61.55)

Fixed Int'l ... 56.77 150.4 50.83
1/7/78 (12/7/78) (28.11/78) (47.1/78)

Ind. Ord. 535.8 435.4 549.2 49.4
(14/8/78) (23/7/78) (14/7/78) (28.6/78)

Gold Mines 206.6 124.1 442.3 43.2
(14/8/78) (29/7/78) (28.10/78) (28.6/78)

Gold Miners (Ex-S pm) 133.3 90.3 357.1 54.5
(14/8/78) (18/7/78) (3.4/78) (28.6/78)

1978/9 Since Compt'd
High Low High Low
Govt. Secs ...



FT SHARE INFORMATION SERVICE

FOOD, GROCERIES, ETC.

BONDS & RAILS—Cont.

1978-79	High Low	Stock	Pri	%	Div.	Yld.	Rel.	Ex-D.	Yrs.
52	6	Chase, Inc.	1998	25	—	—	—	—	—
45	4	Do. Sup. 1972	29	—	—	—	—	—	—
45	4	Do. Sup. 1972 Bonds	274	15	4%	—	—	—	—
42	4	German Govt. 4%pt.	280	15	4%	—	—	—	—
45	4	Greek Govt. Ass.	97	—	—	—	—	—	—
40	4	Do. 4% Mixed Ass.	42	—	—	—	—	—	—
42	4	Huon, 24 Apr.	43	—	—	—	—	—	—
78	7	Iceland 7%pt. 31-Mar.	68	—	—	—	—	—	—
265	26	Irish Govt. 10%pt.	368	5	—	—	—	—	—
169	169	Irish Govt. 10%pt.	368	5	—	—	—	—	—
125	125	Iraq Ass. 3%pt.	135	5	—	—	—	—	—
125	125	S.G.I. 5%pt. 1980	135	5	—	—	—	—	—
240	240	Tunis 5%pt. 1980	240	5	—	—	—	—	—
97	97	Uruguay 5%pt.	97	5	—	—	—	—	—
U.S. S. & DN prices exclude Imp. 5% premium									

BRITISH FUNDS

1978-79	High Low	Stock	Pri	%	Div.	Yld.	Rel.
"Shorts" (Lives up to Five Years)							
97	94	Treasury Sec. 7%pt.	74	22	—	—	—
97	94	Treasury 10%pt.	79	22	—	—	—
96	94	Electric 3%pt. 76-79	96	18	10.2	—	—
96	94	Treasury 10%pt. 1982	98	18	10.2	—	—
96	94	Treasury 10%pt. 1983	98	18	10.2	—	—
96	94	Funders Fund 7%pt.	95	18	10.2	—	—
96	94	Funders Fund 7%pt. 76-80	95	18	10.2	—	—
100	94	Exchequer 10%pt. 1982	102	18	10.2	—	—
92	92	Treasury 5%pt. 1974-79	92	18	8.03	—	—
97	92	Treasury 5%pt. 1981-86	92	18	8.03	—	—
97	92	Exch. 5%pt. 1981	92	18	8.03	—	—
97	92	Exch. 5%pt. 1982	92	18	8.03	—	—
97	92	Exch. 5%pt. 1983	92	18	8.03	—	—
97	92	Exch. 5%pt. 1984	92	18	8.03	—	—
97	92	Exch. 5%pt. 1985	92	18	8.03	—	—
97	92	Exch. 5%pt. 1986	92	18	8.03	—	—
97	92	Exch. 5%pt. 1987	92	18	8.03	—	—
97	92	Exch. 5%pt. 1988	92	18	8.03	—	—
97	92	Exch. 5%pt. 1989	92	18	8.03	—	—
97	92	Exch. 5%pt. 1990	92	18	8.03	—	—
97	92	Exch. 5%pt. 1991	92	18	8.03	—	—
97	92	Exch. 5%pt. 1992	92	18	8.03	—	—
97	92	Exch. 5%pt. 1993	92	18	8.03	—	—
97	92	Exch. 5%pt. 1994	92	18	8.03	—	—
97	92	Exch. 5%pt. 1995	92	18	8.03	—	—
97	92	Exch. 5%pt. 1996	92	18	8.03	—	—
97	92	Exch. 5%pt. 1997	92	18	8.03	—	—
97	92	Exch. 5%pt. 1998	92	18	8.03	—	—
97	92	Exch. 5%pt. 1999	92	18	8.03	—	—
97	92	Exch. 5%pt. 1980	92	18	8.03	—	—
97	92	Exch. 5%pt. 1981	92	18	8.03	—	—
97	92	Exch. 5%pt. 1982	92	18	8.03	—	—
97	92	Exch. 5%pt. 1983	92	18	8.03	—	—
97	92	Exch. 5%pt. 1984	92	18	8.03	—	—
97	92	Exch. 5%pt. 1985	92	18	8.03	—	—
97	92	Exch. 5%pt. 1986	92	18	8.03	—	—
97	92	Exch. 5%pt. 1987	92	18	8.03	—	—
97	92	Exch. 5%pt. 1988	92	18	8.03	—	—
97	92	Exch. 5%pt. 1989	92	18	8.03	—	—
97	92	Exch. 5%pt. 1990	92	18	8.03	—	—
97	92	Exch. 5%pt. 1991	92	18	8.03	—	—
97	92	Exch. 5%pt. 1992	92	18	8.03	—	—
97	92	Exch. 5%pt. 1993	92	18	8.03	—	—
97	92	Exch. 5%pt. 1994	92	18	8.03	—	—
97	92	Exch. 5%pt. 1995	92	18	8.03	—	—
97	92	Exch. 5%pt. 1996	92	18	8.03	—	—
97	92	Exch. 5%pt. 1997	92	18	8.03	—	—
97	92	Exch. 5%pt. 1998	92	18	8.03	—	—
97	92	Exch. 5%pt. 1999	92	18	8.03	—	—
97	92	Exch. 5%pt. 1980	92	18	8.03	—	—
97	92	Exch. 5%pt. 1981	92	18	8.03	—	—
97	92	Exch. 5%pt. 1982	92	18	8.03	—	—
97	92	Exch. 5%pt. 1983	92	18	8.03	—	—
97	92	Exch. 5%pt. 1984	92	18	8.03	—	—
97	92	Exch. 5%pt. 1985	92	18	8.03	—	—
97	92	Exch. 5%pt. 1986	92	18	8.03	—	—
97	92	Exch. 5%pt. 1987	92	18	8.03	—	—
97	92	Exch. 5%pt. 1988	92	18	8.03	—	—
97	92	Exch. 5%pt. 1989	92	18	8.03	—	—
97	92	Exch. 5%pt. 1990	92	18	8.03	—	—
97	92	Exch. 5%pt. 1991	92	18	8.03	—	—
97	92	Exch. 5%pt. 1992	92	18	8.03	—	—
97	92	Exch. 5%pt. 1993	92	18	8.03	—	—
97	92	Exch. 5%pt. 1994	92	18	8.03	—	—
97	92	Exch. 5%pt. 1995	92	18	8.03	—	—
97	92	Exch. 5%pt. 1996	92	18	8.03	—	—
97	92	Exch. 5%pt. 1997	92	18	8.03	—	—
97	92	Exch. 5%pt. 1998	92	18	8.03	—	—
97	92	Exch. 5%pt. 1999	92	18	8.03	—	—
97	92	Exch. 5%pt. 1980	92	18	8.03	—	—
97	92	Exch. 5%pt. 1981	92	18	8.03	—	—
97	92	Exch. 5%pt. 1982	92	18	8.03	—	—
97	92	Exch. 5%pt. 1983	92	18	8.03	—	—
97	92	Exch. 5%pt. 1984	92	18	8.03	—	—
97	92	Exch. 5%pt. 1985	92	18	8.03	—	—
97	92	Exch. 5%pt. 1986	92	18	8.03	—	—
97	92	Exch. 5%pt. 1987	92	1			



FINANCIAL TIMES

Friday March 9 1979

BELL'S
SCOTCH WHISKY
BELL'S

Tanker changes likely after Amoco report

BY PAUL TAYLOR

SHIP OWNERS are likely to face increased pressure to modify steering systems on large vessels as a result of the interim report into the Amoco Cadiz super-tanker disaster published yesterday.

The Inter-Government Maritime Consultative Organisation is expected to be asked to introduce regulations requiring the modification of existing systems and twin fully independent systems on new ships.

Some major oil companies are understood already to have begun modifying tanker

steering systems in the aftermath of the Amoco Cadiz accident at a cost of between £75,000 and £100,000 a vessel. The Board of Inquiry set up by Liberia to investigate the incident blames the failure of steering gear in stormy seas as the main cause for 220,000 tons of crude oil being spilled on to the Brittany coast.

Similar equipment is fitted to many types of large ships, including bulk carriers and passenger liners. Liberia will now press for changes in IMCO requirements.

The board's 57-page report detailing the incident and making a series of recommendations was accepted by Mr. Gerald Cooper, Liberian Maritime Commissioner, who said the findings were "relevant to every fleet, anywhere in the world."

While recommendations on such matters as steering gear design and crew training are likely to result in minor changes in international ship safety requirements, the board's explicit criticism of the French authorities for "a singular lack of co-operation"

during the inquiry is expected to cause continued political friction.

Liberia, whose tanker fleet is the largest in the world, emerges from the report un-criticised. The report says the Amoco Cadiz was a modern well-equipped vessel conforming to all international requirements and manned by a qualified and well-trained crew.

But the Board admonishes the crew for poor chart keeping before the steering-gear failed and is particularly critical of the tanker's

master, Captain Pasquale Bardari, for his delay in calling for assistance and in his handling of events.

The board's final report is expected to be produced by the end of the year and will take into account evidence which is at present unavailable in France and the U.S. To date the inquiry is thought to have cost Liberia about £125,000.

Republic of Liberia, Interim Report on the loss of the Amoco Cadiz. Details, Page 2

Gulf and Lonrho row over directors

BY JAMES BARTHOLOMEW

A ROW between Lonrho, the overseas trading company, and its largest shareholder, Gulf Fisheries, erupted at yesterday's annual shareholders' meeting in London.

Mr. Edward Walker Arnott, a City solicitor representing Gulf Fisheries, a Kuwaiti company, proposed replacing two existing directors by two Gulf nominees, Mr. Thomas Ferguson and Mr. Ewan McDonald. Although the move was defeated a poll of shareholders is to be held.

Mr. Walter Arnott said: "Gulf Fisheries is not and has not been for some time a satisfied investor." Gulf had acquired 40m shares—about 21 per cent of the issued capital—in the mid-1970s. Since then the rise in profits, shareholders' funds and earnings per share had been impressive, he said.

"The performance over the same period of the share price has not, however, been impressive," he said.

Gulf had proposed at least 12 months ago that three new directors be appointed he said. But the board had decided to take no action.

His claim was challenged immediately by Mr. Edward du Cann, the Conservative MP and a director of Lonrho. The Board was not approached until seven days before the meeting, he said. This sudden demand was not the right way to go about the matter. He was "sad and surprised."

The link with Gulf had arisen through Lonrho's desire to develop business in the Middle East, he said. Lonrho had hoped Gulf's owners would be able to introduce business. But Gulf did not, and its representatives resigned. The reason given was the pressure of work, said Mr. du Cann—"believe it or not."

"I am sorry to say that our ambition to develop business in the Middle East failed," he said.

At yesterday's meeting, shareholders voted overwhelmingly in favour of the existing directors. Mr. Paul Spicer and Mr. Philip Tarsh, on a show of hands. But Gulf insisted on a poll. This will take place within 30 days, in a manner to be decided by Lonrho.

Du Cann's £1.4m from Cannon sale

By Eric Short

CANNON ASSURANCE, the unit-linked life company, is to be bought by the Canadian finance and property Cascade Group, for £9.6m.

One of Cannon's major shareholders, Mr. Edward du Cann, the Tory MP, will make more than £1m profit from the deal.

The sale to Inland Financial, a division of Cascade, was announced yesterday by merchant bankers Keyser Ullmann Holdings. Cannon's majority shareholder with 66 per cent of the equity.

Cannon has a chequered history, starting as International Life Insurance (UK), the British end of Mr. Bernie Cornfeld's Investors Overseas Services empire. Mr. du Cann, who will gain £1.4m from the sale through his 15 per cent shareholding, played a large part in rescuing ILLI when IOS collapsed in 1971.

In conjunction with Keyser, whose chairman he was at the time, he acquired the company in 1972 when it was close to being liquidated. He arranged for Keyser to take the majority holding and took a substantial minority stake himself.

This maintained Cannon as a going concern, but caused lengthy litigation between the IOS liquidators and Mr. du Cann and Keyser Ullmann. The case was only settled last May.

Mr. du Cann said yesterday that everyone was willing to criticise people who took risks and were successful. But in 1972 he took a real business risk in trying to keep ILLI viable.

Cabinet survival plan may delay election to autumn

BY RICHARD EVANS, LOBBY EDITOR

THE CABINET drew up a survival plan for the Government yesterday which could see Mr. James Callaghan still in office in the summer, or even until the autumn, if the Prime Minister believes this would give him a better electoral chance.

The key is the decision to delay for as long as possible the tabling of the Order annulling the Scotland Act, which provides for a separate Assembly for Scotland, and then the timing of the subsequent Commons vote.

The present proposal is to delay the vote until after the General Election if possible, and to put the Scotland Act into a state of suspense so that it could be revived if Labour returned to power.

The Scottish National Party has not yet been approached, but it could well prefer to see the Bill put into cold storage rather than defected outright. The Tories would give any fresh devolution legislation a low priority.

Conservative leaders who had expected an early election after the inconclusive Scottish referendum or devolution were forced to concede that they saw

no obvious opportunity to launch a motion of no confidence in the Government that would attract support from all minority parties and be successful.

What seems certain is that the Conservatives will be unable to do anything effective for several weeks to put pressure on the Government because of lack of support from the Nationalists and the Liberals.

This will almost certainly delay Mr. Callaghan safely up to the Budget on April 3, and Conservative leaders do not believe that this or the Finance Bill will necessarily present them with a suitable opportunity to go for the kill.

The chances are that the Budget will be brief, and drafted sufficiently carefully to avoid a combined attack from all Opposition parties. Even if the Government were defeated on specific clauses of the Finance Bill, it would accept the reverse, and continue in office.

The difficulty facing Mrs. Margaret Thatcher, the Tory Leader, is that there is little she can do to attract the support

of the minority parties. All the initiatives lie with the Government. The SNP is content to allow the Cabinet some time to consider its devolution policy.

In the light of the referendum results, the Ulster Unionists will make no move against Mr. Callaghan until the legislation increasing the number of Northern Ireland seats receives the Royal Assent.

This was expected within the next week or so, but there was a further hold-up during the Bill's Report Stage in the Lords yesterday, when the Liberals tabled further amendments. This will give Mr. Callaghan another breathing space.

Because the Commons arithmetic is to tight for the Government, the writ for the Liverpool Edge Hill by-election is to be moved today, and polling will be on March 29.

If Labour retains the seat against Liberal and Tory opposition, it will give Mr. Callaghan another invaluable vote.

The Prime Minister gave an assurance in the Commons that there would be "no undue delay" in bringing forward the

Orders repealing the Scotland and Wales Acts, but added significantly that it was not unreasonable for the Government to want "a few weeks" in which to consider the referendum result in Scotland.

The Government's determination to rush to repeat the legislation is partly to ensure survival and partly to avoid a backlash from the 1.2m Scots voters, many of them Labour, who supported the devolution proposal.

Good reason for the delay is shown in a Market and Opinion Research International poll in today's Daily Express which gives the Conservatives a 13 per cent lead over Labour. The Tories have 52 per cent of the poll; Labour 39; the Liberals 7; and others 2 per cent.

The Tory lead is down from 19 per cent a month ago, but this was taken at the height of industrial unrest and was regarded widely as an unrealistic assessment.

The present lead would give Mrs. Thatcher a massive overall lead in the Commons.

Parliament, Page 11

THE LEX COLUMN

Another dust-up at Lonrho

Index rose 3.4 to 500.3

GUNFIRE is rumbling once again around Lonrho's Cheapside headquarters. Prolonged proxy battles are a rarity in the UK company scene—but Lonrho is now coming up for its second such affray in six years. In 1973, an attempt by eight directors to remove chief executive Mr. R. W. Rowland was overwhelmingly defeated after an acrimonious public dispute. Now Gulf Fisheries, a Kuwaiti company which holds 21 per cent of the equity, is seeking to get two nominees on the Board. Under the articles of association, that means removing two Lonrho appointees.

Already there are conflicting stories about why this has developed into an open breach. One curious feature is that the Kuwaitis originally had Board representation, but relinquished it at the end of 1976, apparently due to the pressure of other commitments. Another oddity is that Gulf professes itself satisfied with the earnings performance of Lonrho, and says it is only concerned about the share price. Yet the best answer to the question of why Lonrho's shares are so poorly rated is that it is just as prone to yesterday's type of brouhaha. Neither side can gain from a public slanging match.

About the only undisputed issue is that the reasons for Gulf's investment disappeared along with Lonrho's failure to develop its Middle East activities on anything like the scale envisaged in the accounts for 1974 and 1975. Gulf is left with 40.5m shares currently worth £25.5m—which—at a very crude guess—could be about a third less than it paid for them in the volatile spot market.

Against this stands Mr. Rowland with 23.3m shares. Institutional involvement is tiny, and Gulf's one hope must be that some of Lonrho's new shareholders—brought in by the orgy of acquisitions in the mid 1970s—will be less personally committed to Mr. Rowland than the old brigade. The issued share capital has more than trebled since the 1973 affair.

The probability is that both sides will be writing to shareholders in the next 30 days. The final touch lies in Gulf's choice of advisers: little love has been lost between Lonrho and Robert Fleming since the latter resigned in a very public manner as advisers to Scottish and Universal Investments following Lonrho's investment in the group.

Royal Dutch/Shell

Royal Dutch/Shell's published figures for 1978 show a 21 per cent drop in net income to £1.09bn, superficially a bad result for a year that saw a 3.6 per cent rise in oil sales volume. Underneath the distortions produced by stock accounting and currency effects, earnings were around 5 per cent.

The loan, which will serve as a back up line for the equivalent amount of commercial paper to be issued in New York, includes a margin above the interbank rate of 3 per cent for the first three years rising to 1 per

cent for the last seven. This is the first time the margin has fallen below 1 per cent in recent years and the psychological impact on the market could be considerable.

Sociedad Generale and Midland Bank France SA are jointly leading the loan which will be syndicated as a club deal, that is between a small number of banks.

The commitment fee is 1 per cent per annum on the undrawn portion of the loan which represents a fall from the 1.5 per cent level paid by leading French names up to now.

Commercial paper operations of this sort generally need a supporting bank credit as a form of guarantee, although such credits are rarely drawn.

The steady erosion of lending margins in the syndicated Eurocurrency markets over the past eighteen months is illustrated by figures in the February issue of the OECD's Financial Market Trends.

These show average margins above interbank rates for OECD countries have fallen from 0.84 per cent per year to 0.69 per cent.

Weather

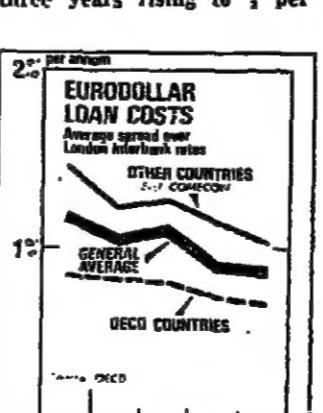
UK TODAY
RAIN in most places. Gales and snow over high ground in Scotland and Ulster. Max. 9C (48F).

Scotland and Ulster
Showers with drifting snow on high ground. Gale force westerly winds.

N. E. England, N. Wales
Cloudy with rain followed by

more or less flat.

But in the fourth quarter income moved smartly ahead:



Now it is possible to fight fire automatically throughout industrial or warehouse premises with dry chemical powder.

You can now have the advantages of:-

- RAPID DETECTION
- INSTANTANEOUS DISCHARGE
- LOW COST PURCHASE
- NO WATER DAMAGE
- NO GASES AND SO NO EVACUATION DELAY

No heat build up required

Simply sweep up the powder

nearly all are. How cosy.

ALL FROM A FIXED, AUTOMATIC, DRY POWDER INSTALLATION

WE BELIEVE WE CAN SAVE £1,000's IN PURCHASE COSTS

REDUCTION OF FIRE DAMAGE

THE ELIMINATION OF WATER DAMAGE

If you would like to know more about the system please write for our explanatory brochure, by filling in the coupon below.

Clinicon
FIRE PROTECTION
Waterless Sprinklers

CLINICON (FIRE PROTECTION) LTD.,

Charwell House, Lincoln Way,

Sunbury-on-Thames,

Middlesex TW16 7HN.

Telephone Sunbury 87411.

754 885 886

754 884 885

754 883 884

754 882 883

754 881 882

754 880 881

754 879 880

754 878 879

754 877 878

754 876 877

754 875 876

754 874 875

754 873 874

754 872 873

754 871 872

754 870 871

754 869 870